

APOLLO

IS FOR STEEL
WERNER STREET
PAISLEY
TEL: 0756 2811

FINANCIAL TIMES

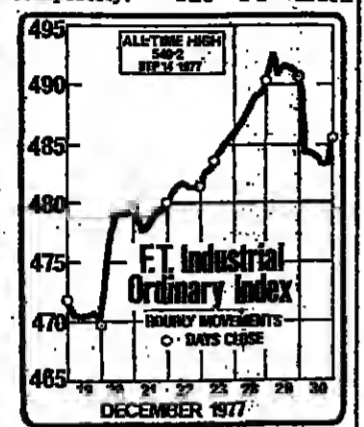
No. 27,448 Saturday December 31 1977 12p

J.R. EVE & SON
CHARTERED SURVEYORS
PROPERTY VALUATIONS
LONDON • BEFORD • BRISTOL • HITCHIN
LUTON • AMPHILL

NEWS SUMMARY

French notes 'fraud' uproar
Political storm is blowing in France over opposition charges that the Government is operating a "fraud" to win the votes of thousands of thousands of French citizens living abroad.

BUSINESS
Equities down 5; Dollar weaker
EQUITIES were marked down after reports of ICI's gloomy forecasts, and failed to recover completely. The FT index closed 5.2 off at 485.4, after being 7.3 down at 3 p.m. The index has risen 130 over the year.



After may go Cairo
President Carter may add Egypt to his six-country itinerary to use President Sadat that U.S. aide East policy has not moved substantially in Israel's favour.

Women's talks
Merlyn Rees, Home Secretary, will meet women's leaders in London on Tuesday in a bid to end the eight-week old GLC strike.

We wish our readers a Happy New Year
Fishman held
Liverpool police have detained Philip Flynn, an Irish trade union leader and former member of Provisional Sinn Fein, under the Prevention of Terrorism Act.

Loss of vandalism
Industrialists will be a target crime in Scotland Yard in 1978, the chief of the Yard's crime prevention section said.

Fighting 'porn'
Prosecutions for obscenity which cost the big profits being reaped by the "millionaire barons" of pornography are demanded by all-party group of 13 MPs and others.

Turkish vote
Turkey's opposition Republican People's Party is expected to defeat Premier Suleyman Demirel's coalition Government in a vote of confidence to-day.

Briefly...
Terrorists bombed the Rostov Hotel, Co. Down, last night when it abated.

COMPANIES
ICI has given warning that its fourth-quarter results will be affected by a continuing trade recession and the strength of sterling against other currencies.

CHIEF PRICE CHANGES YESTERDAY
Prices in pence unless otherwise indicated
RISERS
12pc 1983 £1194 + 1

NEW YEAR MESSAGE FROM THE CHANCELLOR OF THE EXCHEQUER

Making real progress

We have just ended the first year of the three-year recovery programme to which I referred in my last message; in some respects it has gone even better than I then predicted. In 1978 we will build on these foundations. We should achieve a substantial surplus on the balance of payments, a single figure rate of inflation, a higher rate of economic growth and marked improvement in real living standards.

Determined

In 1978 the flow of North Sea oil will begin to bring us important economic benefits not only in the balance of payments and resources but also in revenue. It offers us the chance of sustaining for well over a decade a higher level of growth in output, employment and living standards than we have known for any similar period in the past.

FORECASTS FOR 1978—British economy, Page 12; U.S. and Europe, Page 13; Views of leading industrialists, Pages 10 and 11

Russian steel imports banned from midnight

BRITAIN is taking the strongest action since the end of the international steel trading crisis by banning from midnight tonight all Russian steel imports not already in transit.

British companies seek share of £2.5bn. Saudi contract

TWO BIG British civil engineering companies have joined a multi-national consortium which is hoping to win a £2.5bn. construction contract in Saudi Arabia.



MR. EDMUND DELL Initiated tough action

The Government has given no indications of how long the total ban on Russian steel is likely to last.

PUBLISHER'S NOTICE

The Financial Times will not be published on Monday, January 2.

Leaders of industry win New Year knighthoods

BY RICHARD EVANS, LOBBY EDITOR

TWO OF THE men most closely involved in the key relationship between Government and industry were knighted last month: Professor Sir John Methven, Director General of the CBI, and Mr. Leslie Murphy, chairman of the National Enterprise Board.

In 1978, it'll cost you £820.*



No, we're not making you a special New Year offer. The plain fact is that you can lease a Climax fork truck for one whole year for the figure quoted above. So, if you want to make a resolution for next year, perhaps it should be to fill in the coupon and find out more.

Send to: Coventry Climax, Widdrington Road, Coventry CV1 4DX. Name: Address: FT1/12/LG

* Current leasing costs per annum. Based on 40JDA, subject to full Corporation Tax allowance and acceptance.

Your savings and investments

This year's accolades

BY ADRIENNE GLEESON

IN THIS last moment before we step into 1978, it seems appropriate to stop and count the blessings of 1977. So, for start, we propose:

A vote of thanks to Mr. Leach. On the whole, he might have done much more deserving of such a vote of thanks—bad, for instance, taken recent steps towards reform of this country's taxation system, now reaching absurd depths of complexity. But if we are counting small mercies, a lowering of the basic rate of taxation and some easing of the restrictions on the pension arrangements of the self-employed must surely rank—if only as an augury of things to come.

For those too dyspeptic after the excesses of the season of goodwill to accept that any banker is one to any politician, however, how about a vote of thanks to the National Savings Bank. The rate the NSB has offered on its investment accounts has for much of the year left the competition standing. That may be no more than a reflection of the oddities of the interest rate structure over the past 12 months; but it still meant that for most of that time the still saver has been able to enjoy rates of return higher than those available to his institutional competitor. To those who have little, for me, more has been given.

Meanwhile, for those more

committed to capital growth than income, we propose:

A vote of thanks to M & G for continuing to appreciate that small is beautiful. M & G's Recovery Fund has been a chart topper all the way through the year; and with a gain of over 100 per cent under the beta, unitholders have cause to be grateful to its fund managers. Mind you, there are always arguments for taking a profit. Those who have holdings in the other form of managed funds will, meanwhile, presumably second us in:

A vote of thanks to the nationalised industry pension funds, and to those of British Rail and the NCB in particular. Their activities over the past year have worked wonders for the investment trust sector: they may not have been solely responsible for the decline in the average discount from over 80 to over 20 per cent, but they have had a good deal to do with it. They have also produced some of the most entertaining takeover tactics of the year. In fact, on behalf of connoisseurs of bid battles, we propose:

A vote of thanks to S. G. Warburg, which masterminded the NCB pension funds' bid for the British Investment Trust. From a number of those available to its big institutional competitor, to those who have little, for me, more has been given.

branches throughout the land, there was never a dull moment on that bid.

And finally, in the publications department:

A vote of thanks for the Hambro Tax Guide. Insofar as the plain man may hope to understand his tax position, it is probably by reading, marking and inwardly digesting this guide to its complexities. Man cannot, however, live by an understanding of his tax position alone. For lightening our darkness we propose:

A vote of thanks to M. L. Dorr, Director of Insurance Brokers, who celebrated a merger by commissioning Paul Jennings to produce a book of cautionary verses. The following, from "Carroll on Pensions," will stand for all:

"You are old, Father William, and men of your age have to live on cold porridge and staid.
But your life has entered its happiest stage!
How on earth did you manage to do it?"

"In my youth," said the sage, "I studied the law
To see how my frightful tax bracket
Could work for, not against me.
I speedily saw there was only one way to attack it..."

Let us hope our readers can all identify this way in the coming year.

Old fashioned way makes it

BY ANDREW TAYLOR

Top performers	% Gain	Bottom Performers	% Loss
M & G Recovery	115.9	Henderson Far East	13.6
Allied Hambro Smaller Co.	114.1	Midland Drayton Intl.	13.7
Perpetual Group Growth	108.9	Trident American Growth	14.9
Framlington Capital	94.4	S & P U.S. Growth	15.2
Framlington Income	92.1	Henderson North American	15.2
Allied Hambro 2nd Sm. Co.	84.3	Tidant Intl.	15.9
Discretionary	78.6	Bardays Unicorn America	16.0
Oceanic Performance	78.2	S & P Japan	18.7
Antony Gibbs Growth	74.4	M & G Japan	19.1
M & G High Income	74.2	Antony Gibbs Far East	25.9
F.T. Actuaries All Share	47.3		

Source: Planned Savings.

A RETURN to the old fashioned virtues of buying shares when they are at rock bottom, and in companies with strong recovery or growth prospects, has dominated the progress of the top ten performing unit trusts in 1977, as shown in our league tables.

It should come as no surprise to investors that the top ten performers are all funds investing in U.K. equities; given the dramatic improvement in share prices this year as the financial climate has improved—even if the real economy as measured in terms of industrial output has stagnated.

By comparison many of the United States and Japanese based funds which dominated the top performers last year are now languishing among the laggards—with four of last year's winners M and G Japan, Save and Prosper Japan, Save and Prosper U.S. Growth and Henderson Far East now in the losers' league.

Heading the winners' league this year is M and G Recovery whose unit price has increased by almost 118 per cent over the last 12 months.

This fund's portfolio includes around 100,000 shares in Cableform—which outperformed pretty well every other equity in 1977—with the group buying in at 9p at the end of January while Cableform's price this week was around 99p, a gain for M and G of 88 per cent.

Fund manager Mr. David Tucker says: "The skill in such a highly speculative business is not so much picking winners but avoiding losers—such as Amalgamated Investment & Property which went bust after we had bought the company's shares in 1975 for 60p."

"This year there have been many more winners than losers in what has been a good climate for recovery stocks—particularly for highly geared companies—with interest rates slumping from the high levels of a year ago."

The property sector has been

one of the strongest performers over the year and the Recovery Fund also holds around 1m shares in Capital and Counties. The vast bulk of these shares were bought for 16p in September 1975, although some further shares were added when the price slipped to 8p—Capital and Counties share price was 58p this week.

with investors this year. Current share prices are still depressed.

Three of the top ten unit trust performers this year have more than doubled in price but this rate of progress is highly unlikely to be maintained in 1978. Much of the recovery and growth potential of U.K. companies has already been dis-

counted by share price rises in the current year.

Mr. Martin Arbib, managing director of Perpetual Growth (placed third in the winners' table) says that growth next year will come from "special situations" rather than any particular sector—like property which performed so well in 1977. A year ago Perpetual Growth substantially increased its investment in property to 25 per cent of the fund's total portfolio—a move which clearly paid handsome dividends.

"Our philosophy has always been to go for companies with a low price earnings ratio and/or high asset values and pay no attention to yields and I see no reason to change this method," says Mr. Arbib.

Another strong feature linking this year's winners has been the number of successful funds which have concentrated their investment on smaller and medium sized companies—many of which are less well monitored by the big institutional investors and which in 1977 generally outperformed the larger companies. Funds in this category included the

Allied Hambro Smaller Companies and the Framlington funds.

Mr. Mark St. Giles a director of Allied Hambro said the increased takeover activity this year had, in many cases, enhanced the performance of smaller companies: "Shareholders who come into this category include GBP Group, MK Refrigeration, Dolan Packaging and Storey Brothers," he said.

On the other side of the coin the funds which were the losers this year were all investors in the Far East or the U.S. Japanese shares have come under pressure as the value of the yen has risen, inhibiting export prospects while the slide in the dollar has knocked the price of U.S. equities.

M. and G. Japan and General Fund, which was the second worst performer this year, after being placed fifth in the winners' league in 1976, points out that the New Tokyo Dow Index has fallen by 5.2 per cent, in the last 12 months while Hans Sense Index of Home Kme has declined almost 10 per cent.

It should also not be forgotten that at the same stage a year ago the top ten winners were all Far East and American funds and perhaps there is another old fashioned virtue there for investors to take to heart.

A D.I.Y. life bond

INVESTING IN a life assurance bond has several tax advantages or the higher rate taxpayer, compared with direct dealing on the Stock Exchange, especially if he needs income. But it is extremely impersonal. You simply hand over your money to the life company and cash in your units, wholly or partially, when you need the money. You have no influence over the investment decisions, no chance of backing your fancy or playing the market.

But the penal tax levels on investment income have forced private investors to go for capital growth rather than dividends and consequently they have to raise income in order to raise income. Now, however, some of the newer unit-linked life companies have come up with the solution that enables investors to draw income without paying up to 98 per cent tax while still allowing them to manage their own portfolios. It is known as a "personalised bond."

This is simply a bond in which you are the sole unitholder. You, with your own personal investment adviser, actually manage the investments within the fund, decide on when to buy and sell, when to go liquid and when to switch, just as with a private portfolio. There are limitations imposed by law on what securities can be used to link life assurance contracts, but the range is extremely wide. The life company carries out



your investment decisions and does all the administration, including calculating the bid and offer price of the units.

But under existing legislation, the fund is taxed as a life fund. Franked investment income is effectively taxed at 34 per cent, unfranked at 37 per cent, and capital gains at 30 per cent. Compare this with the 98 per cent top tax rate on ordinary portfolios. The investor should well be able to cover the 5 per cent withdrawal allowed free of tax (officially tax is deferred) from investment income, thus leaving the capital intact.

The life companies are offering two forms of personalised bond—a single investment bond and a portfolio bond covering a spread of holdings. The charges made by the life company are standard bond charges—5 per cent initial and 1 or 2 per cent annual charge.

The high minimum levels, which can vary from £20,000 to £100,000, of investment should ensure that the company covers the extra administration expenses.

But there are certain drawbacks to these schemes. First, you have to transfer your existing assets to the life company, and this is a chargeable event for capital gains purposes. It is more advantageous if you have cash awaiting investment or are in a net loss situation.

Then although these bonds provide a tax shelter for 20 years or more, eventually you will have to go out into the rain and cash-in the bond. Certainly it will be taxed on your death. Then the tax bill comes home to roost, since you or your estate will be charged tax on your total profit. The advantage will only apply if you are in a favourable tax situation at the time of cash-in. But many investors cannot look 20 years ahead leave alone 20 years.

Finally, the Inland Revenue has indicated unofficially that it is uneasy about the sale of such bonds. While the amount of business done remains small, presumably the Revenue is willing to accept the situation. But certain insurance brokers are now pushing these contracts quite hard: it is an easy job to package such bonds attractively. So there could be second thoughts and possible adverse legislation that could affect the whole life assurance industry.

ERIC SHORT

A useful bonus

likely to fall in the immediate future. Friends' Provident, a company that has just completed the first year of its three year period, is playing safe by keeping its interim bonus rate unchanged, but it has restored its terminal bonus rate, paid on its maturities, to the record level of 1974.

These increases reflect the very high yields obtained from massive investment in gilts during the past two or three years. The signs are that other life companies will follow this lead and declare substantially increased bonuses. It looks like being a good season.

AT THE beginning of each new year, actuaries of traditional life companies go through the time-honoured ritual of determining the profit made by their life January, 1975—now around 77p and Lyons (purchased as low as 33p in October last year and now at more than 100p). Mr. Tucker regards J. Lyons as one of the companies which should see further growth, given the group's still relatively high gearing ratio, over the next year.

Included in the fund's current portfolio of future recovery situations are several big names, including Spillers, Reed International and Burmah all of which have been out of favour

CHIEFTAIN HIGH INCOME UNITS

SINCE ITS LAUNCH

THE UK'S BEST PERFORMING HIGH INCOME TRUST.

9.34%

ESTIMATED CURRENT YIELD

FIXED PRICE OFFER CLOSES ON 6TH JANUARY 1978

Chieftain High Income Unit Trust aims to bring you immediate high income combined with prospects of good capital growth.

Since the launch of the Trust in September 1976, the offer price of units has increased by 72%. In the same period, the F.T. Ordinary Share Index has risen by 38.9%. During this time, the Trust has outperformed all other U.K. authorised high yielding unit trusts.

Over the years we shall seek to ensure that the income you receive grows. Furthermore, while a high income is the main purpose of the Trust, it is an historical fact that high income unit trusts have often been some of the best vehicles for capital growth.

We believe that, in the long term, the potential for growth of both income and capital will give you a significantly better total return than a fixed interest investment such as a gilt-edged security or a fixed capital investment such as a building society.

Although you can sell your units at any time, unit trusts should not be regarded as a short-term speculative investment, and we would like to emphasise that the price of units, and the income from them, can go down as well as up.

continue to play a considerable part in the recovery of the U.K. economy from what is still a very depressed level of activity. In the short term much will depend on the level of wage settlements in the coming year.

If there is a wage explosion, inflation will accelerate again and share prices will fall. However, if the Government continues to hold the general level of wage settlements to somewhere near its guidelines, then we believe there is considerable scope throughout 1978 for inflation to return to a more reasonable level, and for industrial confidence to strengthen.

This would allow substantial further growth in share prices, and consequent increases both in the value of Chieftain High Income Units and in the income they will provide.

WHY A UNIT TRUST?

The problem associated with stocks and shares for the individual investor is, of course, that he rarely has enough capital to spread his risk, and sufficient information to choose with confidence. This is particularly true for those seeking a high income.

But the beauty of a unit trust is that, through it, you invest in a wide portfolio of stocks and shares, which is managed for you by full-time professionals.

Your financial adviser will be able to answer any questions you may have about the merits of unit trust investment.

INVESTMENT POLICY

Our policy is that by far the greater part of the Trust's funds is invested in high yielding ordinary shares. Holdings of preference shares will not exceed 20%. More than this would, we believe, restrict opportunities for growth.

In order to minimise risk, the portfolio is spread over about 100 U.K. companies.

Our investment managers monitor the progress of these companies very carefully and act accordingly. And here, curiously, they are helped by the fact that Chieftain High Income is still a young trust, because this enables them to be quicker and more flexible in their investment tactics, especially when shares need to be sold. Very large holdings can be difficult to dispose of at a satisfactory price.

INVESTMENT PROSPECTS

The funds of Chieftain High Income Trust are invested in high yielding stocks and shares.

Share prices are significantly above their levels of twelve months ago, although they are well below their peak for the year. This rise has been caused by a number of linked financial factors. As North Sea oil has begun to make a positive contribution to the balance of payments, sterling has strengthened, interest rates have fallen sharply and company profits have in general improved. There are now clearer signs that the still high rate of inflation could at last be falling.

Chieftain's managers believe that in the long term the wealth generated by North Sea oil will

YOUR REASSURANCE

Chieftain Trust Managers Ltd. was established in September 1976. Its four trusts, dealing in overseas as well as U.K. markets, have already attracted funds worth over £6 million. This exceptional rate of growth has owed much to the considerable

support Chieftain has received from stockbrokers and investment advisers.

The Trustee of Chieftain High Income Trust is Midland Bank Trust Company. The main duties of the Trustee are to hold the title to the Trust's investments, and to check that all purchases made by the Trust are in accordance with the Trust deed; to ensure that the income is distributed to the unitholders properly; and to approve advertising and literature.

TAX ADVANTAGES

You can sell your units on any normal working day at the prevailing bid price. You will normally receive a cheque within seven days of receipt of your renounced certificate.

If you are a basic rate taxpayer, you will generally incur no tax liability when you come to sell.

If you are paying a higher rate of tax at the time of sale, you will be liable to Capital Gains Tax. But, even for the top-rate taxpayer, there is a maximum liability of only 13% (against the normal rate of 30%).

CLOSING DATE

Until 6th January 1978, units will be available at a fixed price of 43p each. Your application will not be acknowledged, but you will receive a certificate by 17th February 1978.

Fill in the coupon, or talk to your financial adviser without delay.

GENERAL INFORMATION

The offer will close if the underlying price of units should rise by 2 1/2%. After 6th January 1978 units will be available at the daily quoted price and yield published in most newspapers.

Chieftain High Income Units were first offered on 6th September 1976 at 25p each.

There is an initial management charge of 5% included in the price of units. There is also an annual charge of 0.8% (plus VAT) which has been allowed for in the quoted yield.

The Managers will pay the standard rates of commission to recognised professional advisers, who are invited to ring 01-248 3610 for further details of High Income and other Chieftain Trusts.

Income is paid net of income tax, but this can be reclaimed by non-taxpayers.

Distributions and a report on the fund are made half-yearly on 31st May and 30th November.

This offer is not applicable to Eire.

The Managers of the Trust are Chieftain Trust Managers Ltd., 30-31 Queen Street, London EC4R 1BR. Telephone 01-248 2932.

The Directors of Chieftain Trust Managers Ltd. are P. L. Potts M.A. (Chairman); R. J. D. Eats M.A., M.B.A.; J. D. Gillett B.Sc.; L. H. A. Hazeel F.C.I.S.; A. L. F. Tod.

APPLICATION FORM

Fill in the coupon and send it now to Chieftain Trust Managers Limited, 30-31 Queen Street, London EC4R 1BR.

I would like to buy Chieftain High Income Units to the value of £_____ at 43p each.

(Minimum initial holding £250)

I will enclose a remittance, payable to Chieftain Trust Managers Limited.

Tick box:

If you want maximum growth by automatic re-investment of net income.

If you want to know how to buy Chieftain High Income Units on a regular monthly basis.

If you would like details of our Share Exchange Plan.

NAME (MR, MRS, MISS) _____

FIRST NAME(S) IN FULL _____

ADDRESS _____

SIGNATURE _____

DATE _____

(If there are joint applicants all must sign and attach names and addresses separately (Reg'd office as above, Reg'd No. 740185))

AN OFFER FROM M&G AMERICA

M&G AMERICAN & GENERAL FUND

The US market is the most attractive in the world. The UK has performed disappointingly over the last year with the Dow Jones reaching a new 2-year low on November 3rd. Although share prices in America could decline further, share values are today more attractive than they have been for years, whether measured in terms of earnings, yield or assets. When the anticipated recovery takes place, it is likely to be both sudden and strong. Current levels on Wall Street could provide a rare opportunity for anyone wishing to take a stake in the market's dramatic expansion.

The M&G American & General Fund is designed to invest in a wide range of American securities, with maximum long-term growth as the main objective. Investment is primarily through back-to-back loan facilities in order to reduce the effects of the dollar premium. The estimated gross current yield for income units is 0.88% at the buying price of 45p on 28th December, 1977. Unit trusts are a long-term investment and not suitable for buying and selling on short notice.

The price of units and the income from them may go down as well as up.

Prices and yields appear in the FT daily. An initial charge of 5% is included in the price; an annual charge of 1% plus VAT is deducted from the Fund's gross income. Distributions for income units are made on 20th March and 20th September out of basic rate tax and are reinvested for Accumulation units to increase the value of the units. The next distribution date for new investors will be 20th March, 1978. You can buy or sell units on any business day. Contracts for purchases or sales will be due for settlement 2 or 3 weeks later. 1% commission is payable to accredited agents. Trustee: Loyds Bank Limited. The Fund is a wide-range security and is authorised by the Secretary of State for Trade.

M&G is a member of the Unit Trust Association.

TWO WAYS TO INVEST

As an alternative, or in addition to investing in a capital sum, you can start a Regular Monthly Saving Plan through a life assurance policy for as little as £10 a month. You are normally entitled to claim tax relief at current rates of 27% for each £100 paid.

On a £10 Plan, tax relief at present rates can bring down your net monthly cost to only 68p, with which you buy units usually worth considerably more. Regular investors also receive the tax advantages of the inevitable fluctuations in the price of units through Pound Cost Averaging, which gives you a positive arithmetical advantage, because your regular investment buys more units when the price is low and fewer when it is high. You also get the power of at least 180 times your monthly payment throughout the period if your age at entry is 54 or under (under 59, and rather less up to 75).

If you cash in or stop your payments during the first four years there is a penalty, and the tax authorities require you to make a deduction, so you should not consider the Plan for less than five years. 81% to 94% (depending on your starting age) is invested, except in the first two years when an additional 20 per cent is retained to meet selling-up expenses.

M&G is a member of the Unit Trust Association. This offer is not available to residents of the Republic of Ireland.

Many experts now regard Wall Street as more attractive than London

INVESTORS CHRONICLE 9.9.77

... investors who buy units in American trusts in the next few months should be sitting on a reasonable profit by the end of 1978

DAILY EXPRESS 27.8.77

TWO WAYS TO INVEST

TO: M&G GROUP LTD, THREE QUAYS, TOWER HILL, LONDON EC3R 6BQ

TELEPHONE: 01-526 4588. This coupon to be completed by all applicants

(2 lines max)

SURNAME _____

OR ADDRESS _____

POST CODE _____ 90 AG 531237

EITHER £500

I WISH TO INVEST [] IN ACCUMULATION/INCOME units

[] AS APPLICABLE OR ACCUMULATION units will be issued of the M&G American & General Fund at the price ruling on receipt of this application. Do not send any money. (A contract note will be sent to you stating exactly how much you own and the settlement date. Your certificate will follow shortly.)

I declare that I am not resident outside the United Kingdom, the Channel Islands, the Isle of Man or Gibraltar, and I am not acquiring the units as the nominee of any person resident outside those territories. (If you are unable to make this declaration you should apply through a bank or stockbroker.)

SIGNATURE _____ DATE _____

OR £10

I WISH TO SAVE [] each month in the M&G American & General Fund.

I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

I understand that this payment is only provisional and that the company will not assume risk until formal notification of acceptance has been issued.

OF BIRTH _____

NAME AND ADDRESS OF USUAL DOCTOR (to whom reference may be made) _____

Are you an existing M&G Plan holder? Yes/No _____

If you cannot sign Part I of the Declaration below delete it and sign Part II. Declaration PART I (I declare that in the best of my belief, I am in good health and free from disease, that I have not had any serious illness or major operation, that I do not engage in any hazardous sports or pursuits, that I do not engage in aviation or other activities which are particularly hazardous, and that no personal or family life has ever been adversely affected.)

If you are unable to sign Part I, I declare that I am not resident outside the United Kingdom, the Channel Islands, the Isle of Man or Gibraltar, and I am not acquiring the units as the nominee of any person resident outside those territories. (If you are unable to make this declaration you should apply through a bank or stockbroker.)

SIGNATURE _____ DATE _____

Authorised by the Secretary of State for Trade.

M&G THE M&G GROUP

Finance and the family

Share Tax relief restriction

BY OUR LEGAL STAFF

Share Tax relief restriction

have two mortgages on my residence. One is the standard repayment Building Society mortgage for £10,000. The other is a privately arranged mortgage for £15,000 at a very low interest. I am also taking a loan of £2,000 repayment at normal rates interest over an 18-month period to pay for short-double glazing units to be fitted.

Realising that tax "ceiling" of £25,000 do you think the rise of the £2,000 loan interest demand additionally? (b) If not, then permit me to in effect elect down to claim only £13,000 against the second mortgage, and then 0.07 not be £2,000 loan interest?

Should you ask your tax inspector for a copy of the free booklet IR11 (Tax Treatment of Interest Paid). Under paragraph 5 of schedule 1 to the Finance Act, 1974, the £25,000 limit has to be applied to loans in chronological order, so it is the new loan which will be subject to restriction of tax relief. However, if you mean that the only amount on which the building society interest is payable is £10,000, you may not be aware that a minimum of £25,000 limit as was in force.

The rules are arbitrary and make no pretence to equity.

Non-residents' interest

Could you tell me whether interest on an investment account at the National Savings Bank is recognised by the U.K. as being free of U.K. income tax in the hands of a person domiciled in the U.K. but resident in France?

The interest is liable to U.K. tax but if you pay tax on it in France also, the U.K. tax rate is limited to 10 per cent. by article 11(2) of the France/U.K. tax treaty.

Accumulative trusts tax

My client set up a trust fund (an accumulative settlement) in 1964, settling certain shares in trustees for the benefit of his two children, each child to take his (equal) share of the trust fund (accumulated income and capital) upon attaining the age of 21. Since 1964 dividends have been reinvested in industrial ordinary shares and Government stocks, all accumulated income being reinvested in this way.

One child having now attained the age of 21, the trustees are in the process of transferring 50 per cent of the accumulated trust fund to him. None of the income of the trust fund has been paid to or applied on behalf of the two infant beneficiaries and it is now desired to claim repayment of the tax suffered by the trust income. What effect will

double taxation agreement of course, depend on its own facts. The situation which you postulate, where the spare part is bought first and independently would fall under the Sale of Goods Act.

Buying a headlease

I live in a house under a lease which expires in about 32 years and wish to acquire the headlease and the freehold. The vendors of the former are asking for more than I think is fair and are not being at all co-operative. How can I make them respond to correspondence? Is there machinery to give a fair price? What would be the position if I bought the freehold, but failed to acquire the headlease?

If, as is most likely, you qualify under the Leasehold Reform Act 1967 you should serve a notice to purchase the reversion under that act (if this has not already been done). If agreement is not reached on a price reference can be made to the Lands Tribunal to fix a price. The provision of the First Schedule to the 1967 Act enable you to treat with one person only as reversioner. Leaving that person to resolve issues among all the persons whose interest is superior to your own.

A faulty speedometer

For your reply under a faulty speedometer (November 12) you stated that a motorist had no claim against a garage if the fault lay in the speedometer. I would have thought the garage was liable under the Sale of Goods Act.

Falling this, what would be the position if the motorist first bought the instrument from the garage stores and then handed it over to the garage to be fitted?

There is a case for saying that the provision of a speedometer is a sale of goods, and that the supplier is liable in contract under the Sale of Goods Act 1893. However, the facts in the query to which you refer led us to the view that the contract was for services, with the supply of goods being incidental thereto. Each case must,

Estate residue and expenses

My father died some months ago, leaving the residue of his estate as to 75 per cent to me and the rest to another. In the residue is his house whose value has increased since my father died, and in which I came to live a few weeks ago. It has been agreed I take the house as part of my share. The estate has not yet been wound up and meantime all the bills are being sent to me, including those for

A grey planning area

I asked some local installers to put in a solar heating system for our swimming pool and they told me that planning permission for this was unnecessary. The local council takes a different view and refers us to the Town and Country Planning Development Order 1974, Class 1 of Schedule 1. The installers are now worried about applying for planning permission in what seems to be a very grey and undefined area. What, please, do you advise?

We think that the description of your problem as falling within a grey and undefined area is apt. The Development Order to which you have been referred enables certain specified operations which would otherwise constitute development requiring planning permission to be carried out without requiring permission. Obviously solar heating for a swimming pool is sufficiently new for it to be difficult to state with any certainty whether it falls within Class I of the Order

Contract to buy a flat

A year ago I bought a flat and having deposited money in trust I moved in before completion, which has not taken place. The seller is in liquidation and, it appears, has sold the block to another party. As the sellers have failed to complete, can I rescind my part of the contract and obtain return of the purchase price?

Without passing between you (or your solicitor) and the vendor or its liquidator and the purchaser of the reversion from the vendor, we cannot advise fully. The proper course for you to adopt is to serve a notice to complete (this is provided in standard form contracts of sale). When that notice expires you can rescind or seek specific performance at your option—but until it expires you can be forced to complete the purchase.

An insolvent solicitor

Until he absconded I employed a solicitor to wind up my late husband's estate. It then became apparent that the estate was liable for further interest charges. The solicitor has been declared bankrupt. Is there anything I can do, apart from paying up?

You will have to pay the interest charge out of the estate funds in the first instance. However, you might be able to obtain a payment out of the Law Society's Indemnity Fund which is designed to cover the position where a solicitor is financially unable to meet his liabilities to his clients. We suggest that you make a claim on that fund.

Blockage in the drain

I am one of a terrace of three houses, drained by a common drain. A blockage, located under my neighbour's garden has caused flooding in my cellar. Who is responsible for dealing with this?

If there is no combined drain agreement or other provision in your deeds for sharing the cost of repairs, the person in whose property the blockage occurs is responsible for clearing it.

Chess

BBC's Master Game Series reaches its climax on the next Wednesday (January 4) at 8 p.m. with the final between Tony Miles and Anatoly Karpov, the world champion.

Karpov has beaten Werner Hug of Switzerland and Helmut Pfleger of West Germany, while Miles has defeated grandmasters Lothar Schmid of West Germany and Bent Larsen of Denmark.

For Miles, the final before what could be the largest British audience ever for a chess match, will be a test of his capacity to justify his claims for an eventful world title opportunity and his comment on becoming a grandmaster that "the only thing left is to have a go at Karpov".

So far, Miles has had the block with Karpov and on each occasion reduction was complete.

Bridge

THE PENALTY double at the right moment can be very profitable, but sometimes a disclaimer is preferable. An ill-considered double may cause the declarer to play the hand in a manner which, without the double, would not have been attempted.

West lived to regret his action here:

N. ♠ Q103
♥ 42
♦ QJ94
♣ KQ75

W. ♠ AK9
♥ Q1097
♦ K8
♣ 10984

E. ♠ J642
♥ 3
♦ 1087532
♣ 63

S. ♠ 875
♥ KJ865
♦ A
♣ AJ2

North dealt at love all, South opened with one heart, and North said one trump. South now rebid three hearts, North raised to four, West doubled, and all passed.

West cashed two high spades, East patting to show four cards, and followed with the nine to dummy's Queen. The declarer summed up the situation. West's double could mean only one trump. The one hope of making the contract was a trump end-play. This meant that the declarer's trumps must be reduced by ruffing some of dummy's cards.

At trick four South led a heart from the table to his Ace, and followed suit. Cashing the diamond Ace, he led a low club to the Queen, and returned a diamond which he ruffed. When the King dropped on his left, West started to do some counting. Spades, four hearts, and two diamonds. In that case he must have four clubs. The declarer cashed the club Ace, overtook the Knave with dummy's King, and ruffed the seven. The trump

rates and insurance. At what value should I take the house, that of the date of death, or that on the day it is conveyed to me? Should not part of the expenses be borne by the estate, until the conveyance takes place?

You take the house at its value at the date of death. The outgoing on the house ought to be borne by you for the whole period of your occupancy of it, and also in respect of rate and insurance for any period from the date of death prior to your occupancy, as you obtain the benefit of the valuation being as at the date of death. If the house were sold, you would not be liable for all the rates or insurance before your occupancy. These would be estate expenses and you would thus only bear 75 per cent of them. However in that event the net proceeds of sale (after tax and costs and expenses) would fall into the estate and be divided in the ratio 4 to 1.

Approval of accounts

Some three years ago a friend inherited his estate from his sister. Trustees have sent monies to the solicitors, but he cannot have all that is due to him until he has agreed their accounts. As he knows nothing about these accounts, he is unwilling to sign them. What should he do?

The normal procedure is for trustees to seek their beneficiaries' approval of their accounts (expressed by signature) on final payment. This is to demonstrate that the beneficiary accepts (that is, does not dispute) the accounts; it is not a certification by the beneficiary. Unless your friend disputes the accounts he should sign them and take his legacy.

Chess

Bad Lautnerberg, Las Palmas, and Tilburg... has gone down to seven and even... has been a factor in contests... world chess champion... Karpov has beaten Werner Hug of Switzerland and Helmut Pfleger of West Germany, while Miles has defeated grandmasters Lothar Schmid of West Germany and Bent Larsen of Denmark.

Bridge

At this stage West had left Queen, ten, nine of hearts, and South had King, Knave, eight. The eight was led, and West made the nine, his third trick, but now he had to lead into the declarer's tenace.

We all know that the most profitable doubles are those of competitive bids at the two-level, but it must be remembered that besides holding four or five trumps to an honour, your hand must satisfy two other requirements: (1) Shortage in partner's suit. (2) Two outside tricks.

Here is what happened in a rubber:

N. ♠ Q103
♥ 42
♦ QJ94
♣ KQ75

W. ♠ AK9
♥ Q1097
♦ K8
♣ 10984

E. ♠ J642
♥ 3
♦ 1087532
♣ 63

S. ♠ 875
♥ KJ865
♦ A
♣ AJ2

North dealt at love all, South opened with one heart, and North said one trump. South now rebid three hearts, North raised to four, West doubled, and all passed.

Insurance

BY JOHN PHILIP

Review your policies

AT THE START of another long weekend (or for some, the closing days of a ten-day holiday) this, I suggest, is the time to get out next year's diary, review your current insurance policies, and consider what revisions you ought to make — and perhaps decide whether or not these need to be made straight away, even before next renewal.

Take home insurances first. Are your buildings and contents sums insured adequate, having regard to present-day reconstruction costs and replacement costs? Even if you reviewed these sums insured at last year's renewal, unless at that time you arranged with your insurers to have them index linked, you are bound to be short of cover by the time that next renewal comes round or by the time the next year of insurance runs out. Have a look not only at your home policies but the endorsements for the renewal enclosure slips and notices that your insurers have sent you in the last year.

Contract to buy a flat

A year ago I bought a flat and having deposited money in trust I moved in before completion, which has not taken place. The seller is in liquidation and, it appears, has sold the block to another party. As the sellers have failed to complete, can I rescind my part of the contract and obtain return of the purchase price?

Without passing between you (or your solicitor) and the vendor or its liquidator and the purchaser of the reversion from the vendor, we cannot advise fully. The proper course for you to adopt is to serve a notice to complete (this is provided in standard form contracts of sale). When that notice expires you can rescind or seek specific performance at your option—but until it expires you can be forced to complete the purchase.

An insolvent solicitor

Until he absconded I employed a solicitor to wind up my late husband's estate. It then became apparent that the estate was liable for further interest charges. The solicitor has been declared bankrupt. Is there anything I can do, apart from paying up?

You will have to pay the interest charge out of the estate funds in the first instance. However, you might be able to obtain a payment out of the Law Society's Indemnity Fund which is designed to cover the position where a solicitor is financially unable to meet his liabilities to his clients. We suggest that you make a claim on that fund.

Blockage in the drain

I am one of a terrace of three houses, drained by a common drain. A blockage, located under my neighbour's garden has caused flooding in my cellar. Who is responsible for dealing with this?

If there is no combined drain agreement or other provision in your deeds for sharing the cost of repairs, the person in whose property the blockage occurs is responsible for clearing it.

Chess

BBC's Master Game Series reaches its climax on the next Wednesday (January 4) at 8 p.m. with the final between Tony Miles and Anatoly Karpov, the world champion.

Karpov has beaten Werner Hug of Switzerland and Helmut Pfleger of West Germany, while Miles has defeated grandmasters Lothar Schmid of West Germany and Bent Larsen of Denmark.

For Miles, the final before what could be the largest British audience ever for a chess match, will be a test of his capacity to justify his claims for an eventful world title opportunity and his comment on becoming a grandmaster that "the only thing left is to have a go at Karpov".

So far, Miles has had the block with Karpov and on each occasion reduction was complete.

Bridge

THE PENALTY double at the right moment can be very profitable, but sometimes a disclaimer is preferable. An ill-considered double may cause the declarer to play the hand in a manner which, without the double, would not have been attempted.

West lived to regret his action here:

N. ♠ Q103
♥ 42
♦ QJ94
♣ KQ75

W. ♠ AK9
♥ Q1097
♦ K8
♣ 10984

E. ♠ J642
♥ 3
♦ 1087532
♣ 63

S. ♠ 875
♥ KJ865
♦ A
♣ AJ2

North dealt at love all, South opened with one heart, and North said one trump. South now rebid three hearts, North raised to four, West doubled, and all passed.

Chess

Bad Lautnerberg, Las Palmas, and Tilburg... has gone down to seven and even... has been a factor in contests... world chess champion... Karpov has beaten Werner Hug of Switzerland and Helmut Pfleger of West Germany, while Miles has defeated grandmasters Lothar Schmid of West Germany and Bent Larsen of Denmark.

Bridge

At this stage West had left Queen, ten, nine of hearts, and South had King, Knave, eight. The eight was led, and West made the nine, his third trick, but now he had to lead into the declarer's tenace.

We all know that the most profitable doubles are those of competitive bids at the two-level, but it must be remembered that besides holding four or five trumps to an honour, your hand must satisfy two other requirements: (1) Shortage in partner's suit. (2) Two outside tricks.

Here is what happened in a rubber:

N. ♠ Q103
♥ 42
♦ QJ94
♣ KQ75

W. ♠ AK9
♥ Q1097
♦ K8
♣ 10984

E. ♠ J642
♥ 3
♦ 1087532
♣ 63

S. ♠ 875
♥ KJ865
♦ A
♣ AJ2

North dealt at love all, South opened with one heart, and North said one trump. South now rebid three hearts, North raised to four, West doubled, and all passed.

Insurance

Review your policies

AT THE START of another long weekend (or for some, the closing days of a ten-day holiday) this, I suggest, is the time to get out next year's diary, review your current insurance policies, and consider what revisions you ought to make — and perhaps decide whether or not these need to be made straight away, even before next renewal.

Take home insurances first. Are your buildings and contents sums insured adequate, having regard to present-day reconstruction costs and replacement costs? Even if you reviewed these sums insured at last year's renewal, unless at that time you arranged with your insurers to have them index linked, you are bound to be short of cover by the time that next renewal comes round or by the time the next year of insurance runs out. Have a look not only at your home policies but the endorsements for the renewal enclosure slips and notices that your insurers have sent you in the last year.

Contract to buy a flat

A year ago I bought a flat and having deposited money in trust I moved in before completion, which has not taken place. The seller is in liquidation and, it appears, has sold the block to another party. As the sellers have failed to complete, can I rescind my part of the contract and obtain return of the purchase price?

Without passing between you (or your solicitor) and the vendor or its liquidator and the purchaser of the reversion from the vendor, we cannot advise fully. The proper course for you to adopt is to serve a notice to complete (this is provided in standard form contracts of sale). When that notice expires you can rescind or seek specific performance at your option—but until it expires you can be forced to complete the purchase.

An insolvent solicitor

Until he absconded I employed a solicitor to wind up my late husband's estate. It then became apparent that the estate was liable for further interest charges. The solicitor has been declared bankrupt. Is there anything I can do, apart from paying up?

You will have to pay the interest charge out of the estate funds in the first instance. However, you might be able to obtain a payment out of the Law Society's Indemnity Fund which is designed to cover the position where a solicitor is financially unable to meet his liabilities to his clients. We suggest that you make a claim on that fund.

Blockage in the drain

I am one of a terrace of three houses, drained by a common drain. A blockage, located under my neighbour's garden has caused flooding in my cellar. Who is responsible for dealing with this?

If there is no combined drain agreement or other provision in your deeds for sharing the cost of repairs, the person in whose property the blockage occurs is responsible for clearing it.

Chess

BBC's Master Game Series reaches its climax on the next Wednesday (January 4) at 8 p.m. with the final between Tony Miles and Anatoly Karpov, the world champion.

Karpov has beaten Werner Hug of Switzerland and Helmut Pfleger of West Germany, while Miles has defeated grandmasters Lothar Schmid of West Germany and Bent Larsen of Denmark.

For Miles, the final before what could be the largest British audience ever for a chess match, will be a test of his capacity to justify his claims for an eventful world title opportunity and his comment on becoming a grandmaster that "the only thing left is to have a go at Karpov".

So far, Miles has had the block with Karpov and on each occasion reduction was complete.

Bridge

THE PENALTY double at the right moment can be very profitable, but sometimes a disclaimer is preferable. An ill-considered double may cause the declarer to play the hand in a manner which, without the double, would not have been attempted.

West lived to regret his action here:

N. ♠ Q103
♥ 42
♦ QJ94
♣ KQ75

W. ♠ AK9
♥ Q1097
♦ K8
♣ 10984

E. ♠ J642
♥ 3
♦ 1087532
♣ 63

S. ♠ 875
♥ KJ865
♦ A
♣ AJ2

North dealt at love all, South opened with one heart, and North said one trump. South now rebid three hearts, North raised to four, West doubled, and all passed.

Chess

Bad Lautnerberg, Las Palmas, and Tilburg... has gone down to seven and even... has been a factor in contests... world chess champion... Karpov has beaten Werner Hug of Switzerland and Helmut Pfleger of West Germany, while Miles has defeated grandmasters Lothar Schmid of West Germany and Bent Larsen of Denmark.

Bridge

At this stage West had left Queen, ten, nine of hearts, and South had King, Knave, eight. The eight was led, and West made the nine, his third trick, but now he had to lead into the declarer's tenace.

We all know that the most profitable doubles are those of competitive bids at the two-level, but it must be remembered that besides holding four or five trumps to an honour, your hand must satisfy two other requirements: (1) Shortage in partner's suit. (2) Two outside tricks.

Here is what happened in a rubber:

N. ♠ Q103
♥ 42
♦ QJ94
♣ KQ75

W. ♠ AK9
♥ Q1097
♦ K8
♣ 10984

E. ♠ J642
♥ 3
♦ 1087532
♣ 63

S. ♠ 875
♥ KJ865
♦ A
♣ AJ2

North dealt at love all, South opened with one heart, and North said one trump. South now rebid three hearts, North raised to four, West doubled, and all passed.

Taxation The battle of the sexes

SEPARATE assessment of husband and wife is not understood widely enough. Some potential beneficiaries may be failing to obtain the advantages to which they are entitled. Many more taxpayers feel that they ought to benefit, and do not understand why they are excluded.

The subject is not especially complicated, but it is bedevilled by the fact that husbands and wives can have their assessments put asunder in two quite distinct ways. The first of these arrangements to be given legislative effect was and is no more than a basis for sharing between husband and wife the total tax

liabilities calculated on their joint income as a married couple. The Taxes Acts do not generally admit the equality of the sexes, and the whole of the tax liabilities of husband and wife are technically to be borne by the husband. Informal calculations could be made to find how much of that tax should equitably fall on the husband's income and how much on the wife's, but arguments were always possible on the split of personal reliefs, and on whose income should be taxed at the higher rates. The separate assessment provisions originally written into the Act in 1919

did no more than provide a statutory basis for sharing. The aggregate liability was unaltered. The relief introduced in the 1974 Finance Act is different. It is a relief, and where it operates and is claimed, the aggregate liabilities are reduced. Briefly stated, the relief operates by taxing the wife's earned income as if she was a single individual, and taxing the husband separately but as if he also were single. His income for this purpose is taken to be his earnings and the joint unearned income.

The implications can best be demonstrated using a simple example. Husband and wife each have earnings of £5,100, and each have investment income of £100. If they were jointly assessed, their aggregate income of £10,400 would be reduced by the married man's allowance of £1,455 and by the wife's earned income allowance of £945 (this latter deduction being the higher of £945 and the amount of the wife's earnings). The joint taxable income would thus be £8,000, and the liability on it £2,880, being £6,000 at 34 per cent, £1,000 at 40 per cent and £1,000 at 45 per cent.

Contrast this with the separate liabilities. The wife's earnings of £5,100 are reduced by a single person's allowance of £945, and tax at 34 per cent on the balance comes to £1,413. The husband's income is £5,300, on which he is also taxed as if he were single. After deduction of his single allowance of £945, his liability is £1,481, this also being wholly calculated within the 34 per cent rate band.

The aggregate of the separate liabilities, £2,894, is marginally greater than the jointly calculated liability of £2,880. A claim for separate assessment would therefore not be appropriate at these income levels. However allowing relief on policies "on the circumstances in which an

advantage could become available either husband's or wife's income were to increase by £100, the additional tax burden would be £5 if separate assessment were claimed, and £50 if it were not. The 50 per cent being the tax rate applicable to taxable income between £8,001 and £9,000.

It is also possible to see why the separate assessment claim should not be made for an income pattern lower than those indicated. The claim as illustrated took £1,000 out of the 40 per cent band and £1,000 out of the 45 per cent band, taxing that amount of income instead at 34 per cent. This claim resulted in a reduction of the allowance from £2,400 to £1,800, the first being a married allowance and wife's earned income allowance, and the second being two single persons' allowances. This meant that £510 more income paid tax at 34 per cent, this detriment being £174.

Separate assessment should be claimed where the tax saved by moving income from higher rate bands to lower exceeds the tax cost flowing from reduced personal deductions. This cannot be expressed in terms of an income figure for husband and another for wife, because the possibility of benefit depends not only on their relative positions but also on their personal positions.

Child allowances, for instance, are deductible from the husband's income. Each spouse gets life assurance relief only on premiums which he or she pays. There is a quirk here, that life assurance relief is available to a jointly assessed husband where he or his wife has insured the life of the other. It ceases to be available if separate assessment is claimed, because the policy then falls foul of the provisions disallowing relief on policies "on the life of another."

CHRISTMAS CROSSWORD WINNERS

Here are the five winners of last Saturday's Christmas crossword puzzle. They each receive a prize of £10.

Mr. S. E. Best, 26, Crabtree Lane, Bodmin, Cornwall; Mr. E. M. Dowdeswell, 2, Spencer Hill, Wimbledon, S.W.19; Mr. J. J. Dreyer, 9, Brington Place, Edinburgh EH7 5EG; Mr. J. Frisken, 6, Rossbery Road, Felixstowe, Suffolk IP11 7JR; and Mrs. M. Manson, East Pittendreich, Brechin, Angus, Scotland, DD9 6RD.

CHRISTMAS CROSSWORD WINNERS

MINIONS DELIVERED
MAGNET VEVES
DROBAGRE TRIBLES
SOS ALLEN
PLATER IRONS DRONE
STAIR WASTED BANDIT
BEDROCK MEASURE
SOUNDS COPPER TRYON
BASED AGENT TEACUPS
TAILING TAPER LAPSE
STRAITENS TERRORS
ALLEES



Motoring

Diesel thinking

BY STUART MARSHALL

Mr. Anthony Wedgwood Benn is anxious to be seen to be doing something early in the new year to "save it" on the road. I have a word of advice for him.

Try a diesel car.

His present ministerial Rover 20 has a petrol consumption of 20 miles per gallon or less, saving in mind that most of its journeys are (a) short and (b) in traffic. These are the conditions in which diesel cars do best. Without sacrificing any pace or comfort in his official conveyance, he could get 30 mpg out of a diesel.

True, it wouldn't quite cut fuel costs by 50 per cent because diesel fuel is dearer than petrol following the summer price cut forced on the government by the Lib-Lab pact. But perhaps Mr. Benn's cabinet colleagues about that would have a word to say. The Road Haulage Association if he did.

And there is, of course, a snag. Britain simply doesn't have a diesel car, which makes us practically unique among the car producing nations.

Mind you, if Mr. Benn asked British Leyland nicely they might lend him one of their prototype diesel Princesses. Ford could supply him with a diesel Granada, which they will be selling here in a month or

two, but that would be cheating a bit. Although Ford seems to be a British car, all Granadas are now made in Germany and the diesel has a Peugeot engine.

Were Mr. Benn a more enthusiastic European, he could make a case for using a diesel car produced by one of our EEC partners like a Citroën (which is President Giscard's official car), a Peugeot, Mercedes or Opel.

President Giscard's Citroën Prestige limousine, I have to admit, has a petrol-injection engine, but I think Mr. Benn would find a Citroën CX 2200 Diesel saloon would do him very nicely. So, too, could a Peugeot 504 GLD.

I mention these two makes specifically because I have driven them both extensively in the past year. The Citroën—a Safari estate, actually, which is bulkier than the saloon—returned 32 mpg on a very hard driven, heavily laden trip of 3,700 miles. For much of the time it was cruised at a steady 80-85 mph on the French autoroute, which is hardly the best way to exploit diesel economy. And the Peugeot 504 GLD estate, which had automatic transmission, yielded 35.6 mpg during a two week test which included a great deal of use in and around London, plus some motorway driving.

It saddens me that Britain has neglected to develop diesel cars



Driven hard and heavily laden, the massive Citroën Safari diesel returned 32 mpg. Could we not make 1978 a "Save it with diesel" year for Britain?

after having played a pioneering role. Back in the late 1940s the Standard Vanguard, which had the same basic engine as the Ferguson tractor, could be petrol or diesel powered. And Morris Oxford and Austin Cambridge diesels were the mainstays of many a provincial taxi fleet until they went out of production some years ago.

The first diesel cars were rough and noisy; the latest ones are not. Apart from an early morning clatter when started from cold and what our music critic might call a bosso prundo tickover, the modern automotive diesel goes about its work quietly. For most of the time on a journey, one really can forget a diesel car is not petrol powered. Only the infrequent refuelling stops (and in

France, Italy and Spain the much lower prices of diesel fuel) serve as a reminder.

If Mr. Benn is persuaded to try a diesel car and likes it well enough to try to promote their use, he will have some entrenched opposition to overcome from the motor industry.

About 18 months ago, arguing against any government ideas about replacing the easily evaded car tax with a higher petrol tax, the Society of Motor Manufacturers and Traders said: "This would create a problem because it would make diesel cheaper than petrol and no British-made diesel cars are on sale in Britain. It would take time to bring them into production... and the number of imported diesel-engined cars could be

Golf

Tale of a rogue club

BY ROGER PAUL

A CAUTIONARY tale of a Christmas past. A man I know was given a new set of clubs — by one of the world's most enlightened spouses — and full of love and devotion for both clubs and wife, played with them for the first time in the January Medal.

Come the 13th he was in transports of delight. The clubs were obviously what he needed all his life. He had dropped only five shots to par, and as he was a 14-handicapper the January Medal was as good as won.

The 13th at this particular course is only a flick, and our man, as he had done all his life at this hole, took his 8 iron. He swung slowly and sweetly, felt a flush contact and then saw, to his horror, that the ball had cleared the green on the fly and had ended up in grass up to his armpits. Hack, back and hack again, and the January Medal was as good as lost.

He was puzzled, and at the same time lured, and against his better judgement, proud. Had he, in mid-40s, suddenly acquired an extra 30 yards length? It took his six months to find out that he hadn't. What he had acquired was a rogue club. His 8 iron, brand new and still in its wrapper when he got it, had the loft of a 4 iron.

He only found out by accident because the professional at his club had an instrument with which to measure the loft and lie of golf clubs and checked this particular club after hearing how the member had come to dread the 13th. Two minutes in a vice cleared up a problem

which should never have occurred, and yet this sort of thing is far more widespread than you can imagine.

For instance, Peter McEvoy, the Amateur Champion, who is probably the finest amateur outside the U.S., received a new set of clubs a month ago. He had stipulated certain lofts for particular clubs, wanting the longer irons strengthening because he finds it easier to hit the ball high with a strong club than he does to squeeze the ball low with a weaker club.

The ultimate, and unwanted result of all that was that he finished up with three 2 irons and two 8 irons. When McEvoy re-measured his clubs he found that the 1 iron was 20 degrees, his 2 iron 21 degrees and his 3 iron 22 degrees. He had wanted them at 13, 17 and 20 degrees. The 8 and 9 iron clubs were within a degree of each other and he was effectively being robbed of the use of three irons out of 11. This, let me stress, with brand new clubs straight from the factory.

Most professionals do not have a loft and lie instrument and yet Brian Barton, the club professional at Copt Heath, near Birmingham, reckons that probably two out of every new set of irons that comes into his shop are wrongly lofted. A set he ordered for himself actually arrived with identical 5, 6 and 7 irons!

The story is a troubling one and it was with some relief that when I checked my own clubs I found that although they were all fractionally stronger than they should have been, they were uniformly stronger. That

is with the exception of the three iron, the one club I have never been able to use, which had somehow acquired the loft of a two iron. Now it may be that I have never been able to use that club because it is too strongly lofted, or it may not. Michael Nightingirl of the Crookshank Club Company tells an interesting story about two and three irons. He met a member of Stratford-upon-Avon Golf Club who expressed interest in the Crookshank club's and asked Nightingirl if he could provide a specimen three iron. It had to be a three, the man said, because that was his favourite club, and anyway he'd never been able to get a ball, hit with a two iron more than three inches off the ground.

The club was duly made, and delivered on the practice ground by Nightingirl himself. The man hit a practice bag of balls as nicely as you could wish, for as they were walking to pick them up he expressed delight with the club. "Fanny, you should say that," said Nightingirl. "Because it's really a two iron with a figure three stamped on the bottom." The awful thing is that the man then tried to hit the balls back, their starting point and not one flew more than three inches off the ground.

So it may be that in this the most psychological of all sports the club you can't hit properly is the product of a disorderly mind. Or it may be that the disorder springs from carelessness quality control. Golfers who don't know should go to

Travel

Options for 1978

BY SYLVIE NICKELS

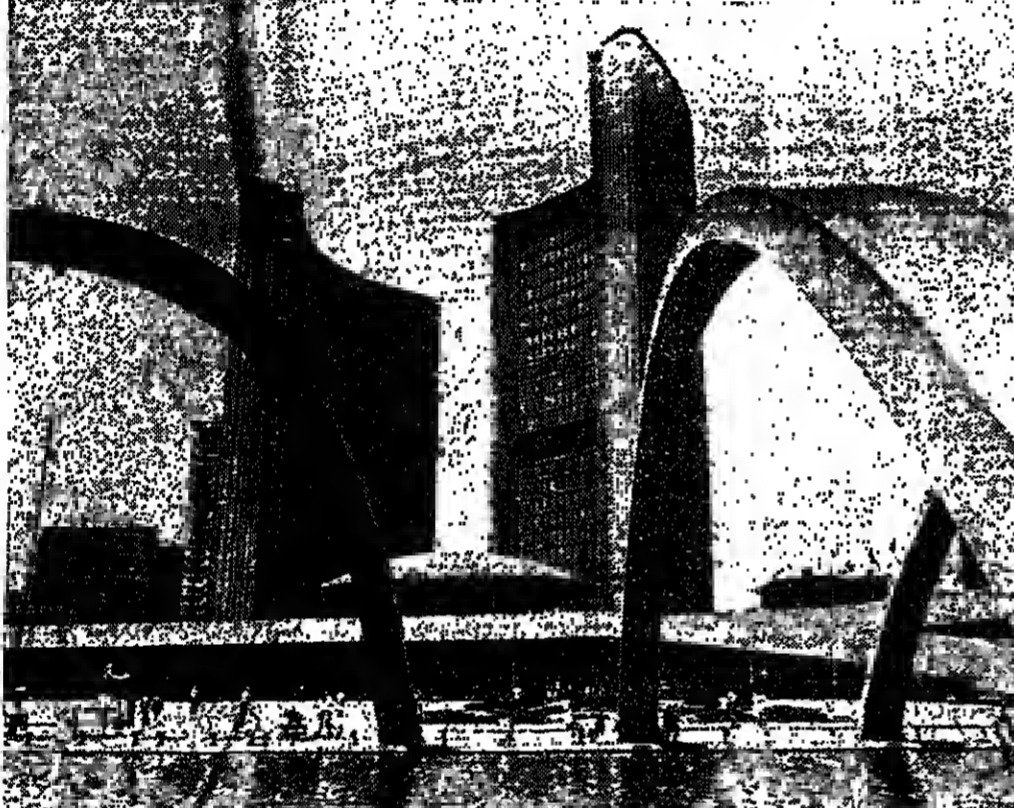
THE ONLY short cut I know to choosing next summer's ideal holiday is the services of a travel agent with intimate knowledge of you and your pocket, otherwise any interested travel agent can save you time, money and disappointment; but it must be said that—as in other spheres of supply and demand—some travel suppliers are much, much more interested (and knowledgeable) than others.

The alternative is to decide on the nature and cost of the holiday you want, collect the appropriate tour operators' brochures, and be prepared to devote proper time to reading the small print, deciphering the symbols, checking the cross references and doing the correct additions and subtractions. Tour operators have become increasingly more informative, but it is a mean-a lot of homework.

All I can do is make some suggestions, in this case concentrating on a handful of traditional and less traditional ideas that are caught my attention among the current tide of holiday offers.

To begin rather conventionally, Cooks have an interesting argan in such old favourites as Majorca, Minorca and the Costa del Sol; for adults for the price of three. The offer applies to some early summer departures. Less conventionally, their Adventure Tours programme features regions of the world more usually associated with exploration, such as the Himalayas and the Arctic. When it comes to coach travel, one case you thought the days of the Grand European Tour had passed.

View Week-end: 2, America 23.5, Belgium 12.5, France 8.5, Italy 2.4, Greece 1.5, Spain 1.7, Switzerland 2.7, U.S. 10.5. Source: Thomas Cook.



City Hall, Toronto, Canada

gone. Global have a whole programme full of them. The longest is called just that, lasts 23 days, crosses seven countries to as far south as Sorrento, and costs £595, mostly half board. Or you can have 22 days touring the Balkans and Turkey for £665.

Most of Ingham's Discovery Tours are on the shorter side and next year they are extending some of their off-season favourites into the summer. There are high season departures, for example, for 8-day tours of Switzerland, Austria and the Norwegian fjords in the £150-200 range. Also shortish in duration, though anything but short in distance, is Bales' new series of Tahiti Tours, which are sort of half-size tours designed for the far-off places in which Bales specialise. An example is 11 days to India and Kashmir with a departure on July 28, costing £508. Each tour is escorted.

Egypt is making a quiet come-back as a very worthwhile middle-distance destination. British Airways are featuring it in their Sovereign and Speedbird programmes: £560 for 15 days including Cairo (half board), Luxor and Aswan (full board) with several excursions.

Be prepared for considerable heat in summer though. Speedbird are also extending their programme to the East Turkish border. It leaves on June 1 and costs £350-£400 plus. Austrian and Italian Alpine centres are featured at substantially less.

In the fields of art and archaeology, Swan Hellenic have an almost global coverage which includes a whole series of art treasure tours in Europe, each escorted by an appropriate expert. One of them is to lesser known Romania with an opportunity to experience that country's delightful peasant culture: 15 days costs £364 full board, with four summer departures.

It is also pleasing to know of

really small operations that are succeeding, such as the painting school run by artists Felix and Monique Partridge in their summer home in the heart of rural Portugal, south-west France. The cost of Frs.450 per week, plus £15 tuition fee excludes travel but covers full board with wine.

Some firms have made a speciality of countries or areas. The Algarve in South Portugal is one of The Travel Club's long-established regional destinations, which they cover pretty thoroughly from one end of the coast to the other. Golf is a great feature of this coast. Scantours focus on Scandinavia and have a variety of arrangements using camper vehicles or combining hotel cheques with self-drive car to allow maximum freedom of movement in different parts of northern Europe, with unlimited mileage (limited in Iceland).

Finally, a suggestion for North America, where winter campers are the local way of family travel. Jetsave's arrangements cover New York, Los Angeles, Toronto and Vancouver: 15 nights in the peak season costs £358-£520 per person, depending on size of group, including return ABC flight (currently, minimum 43 days advance booking), fully equipped vehicle ex-Vancouver, unlimited mileage; taxes and normal insurance.

Addresses: Thomas Cook, Thorpe Wood, Peterborough PE3 6SB; Global, Glen House, 200, Tottenham Court Road, London W1P 0JF; Inghams, 323, Putney Bridge Road, London SW15 2PL; Bales Tours, 16-17, Coventry Street, London W1V 6EL; Speedbird, 200, Buckingham Palace Road, London SW1W 9TP; Seranisima, 140, Sloane Street, London SW1X 9AY; Cox and Kings, 46, Marshall Street, London W1V 3PA; Swan Hellenic, 237-238, Tottenham Court Road, London W1P 0AL; Felix and Monique Partridge, 7, George Street, Woburn, Milton Keynes, Bucks. MK17 9PX; The Travel Club, Station Road, Uppminster, Essex; Scantours, 8, Spring Gardens, London SW1; Jetsave, Sussex House, East Grinstead, Sussex RH19 1LD.

Yachting

NOW SIX DAYS out from Auckland in the third leg of the Whitbread Round the World yacht race to Rio; the crews of the 16 yachts taking part report moderate, variable winds making for slow progress south-eastwards from Auckland towards the Southern Ocean and Cape Horn.

Leading the fleet yesterday as she passed close to Chatham Island, some 600 miles from the start, was the British yacht

Heath's Condor. This must have been gratifying for her skipper, Leslie Williams, whose protest against the terms of entry of the French yacht, the Duplek VI is still to be resolved. At the time of his report, Williams said he could see the French yacht stern but he knows full well that he will have to extend this gap considerably during the next four weeks.

If the French yacht's rating is accepted in its present form, Eric Tabarly and his crew will receive a time allowance of 40 hours from Heath's Condor on start, was the British yacht

as much as 400 miles if Pen Duick can maintain an average speed approaching the 10.1 knots achieved by Condor over the 7,500 miles from Cape Town to New Zealand.

The smaller British Joint Services entry, Adventure, with her new crew that joined the yacht from New Zealand, gave her position yesterday at about 60 miles behind the leaders and on a similar course making south-eastwards into the more southern latitudes.

ALEC BEILBY

NO OTHER INVESTMENT TODAY PROVIDES ALL THAT WE OFFER.

<input checked="" type="checkbox"/> 10% discount on initial purchase	<input checked="" type="checkbox"/> No front-end loading	<input checked="" type="checkbox"/> £ cost averaging with regular investment
<input checked="" type="checkbox"/> Tax Relief	<input checked="" type="checkbox"/> Easy cash-in facility	<input checked="" type="checkbox"/> £125,000,000 backing
<input checked="" type="checkbox"/> Substantial life cover	<input checked="" type="checkbox"/> Simple application form	<input checked="" type="checkbox"/> 75 yrs. Scottish investment management experience

Look through all the financial advertisements in today's papers and you will find that no other Plan provides all the benefits of the Crescent Plan.

The Plan offers the private investor a means of regular saving with which he or she can benefit from the skills of a large investment team using appropriate world markets. The Plan is a proven success. The £125m investment group behind it is of proven integrity, and the fact that your subscriptions buy more units when prices are low and fewer when they are high guarantees that the average price you pay for your units is less than the average of their varying prices during the savings period. Unit prices can, of course, go down as well as up but "pound cost averaging" makes positive long term advantages out of such occurrences. Joining the Plan is as simple as filling in the coupon below. You can start for as little as £5 per month and there is no upper limit although if you want to save more than £50 a month further medical evidence may be required. Subscriptions may also be paid quarterly or yearly.

As the CRESCENT PLAN is a life assurance policy you are entitled to tax relief on your subscriptions. Currently this means that for every £100 you subscribe £17.00 will be allowed in tax relief, but if you stop subscribing to the Plan within the first four years the Inland Revenue may require us to refund to them a portion of the tax relief you may have obtained. This we do by deducting the appropriate amount from the proceeds.

The Plan also provides a guaranteed minimum return in the event of the death of the subscriber before the end of the savings term. Experience has shown that the most popular savings term is 10 years, therefore, for persons aged 18 to 60 next birthday this guaranteed return is at least eight times the annual subscription and for those up to age 50 next birthday at entry, at least ten times the annual subscription. (Details of longer term policies are available on request.)

Depending on your age at entry, between £95 and £200 out of every £100 is invested in units from the very first subscription. (See Table below.)

Age n.b.	Up to 25 yrs	26-30 yrs	31-37 yrs	38-42 yrs	43-47 yrs	48-60 yrs
% Invested	95%	94%	92%	92%	91%	90%

Nevertheless, as indicated above the net cost to you is only £83.00 after tax relief. Later, when the value of your accumulated units exceeds the guaranteed life cover, the amount invested rises to £97. The net cost, however, remains the same.

The CRESCENT PLAN is designed to be a medium to long term investment so the longer you keep the Plan in force the better chance you have of substantial capital appreciation. Any capital gains tax liability that occurs is the responsibility of the Company, but as you have had the full benefit of any capital gain the Company must reserve the right to make a deduction from the proceeds to cover its liability.

Your investment begins as soon as we receive your cheque and application form and the latter is accepted. We will send you our brochure which we feel sure will confirm your decision to start a Plan, but if it doesn't or you are in any way dissatisfied, we will refund your subscription without question provided that you advise us within 10 days.

Incidentally, you may cash the Plan at any time, although it can be left to increase in value after the end of the subscription-paying term if you so wish. We will pay to you the net value of your investment less a deduction of only 2% of one year's subscriptions to recover the initial expenses including stamp duty, of setting up the Plan. (This is a much smaller deduction than most companies make.)

Finally, we do not employ salesmen so there will be no unwelcome callers at your home at any time.

CRESCENT is part of American Trust Group, a British, 200-odd year old investment house with assets of £325m.

Gardening

How to keep them alive and well

HOW LONG ARE those Christmas gift plants going to last? A lot depends on the way they are cared for but at least a much on the kind of plants they are. Some will be easy to keep going indefinitely, others will be retained with more difficulty and a few have a life expectancy to be measured in weeks rather than in months.

The easy ones will be those foliage plants that are commonly grown for home decoration. They will include the non-stems with their huge, perennating leaves, the sansevierias with stiffly twisting leaves that look as if they are floating upwards through water, the ferns, the variegated spider-plant, variegated spider-plants, sprawling multicoloured cactuses and trailing Kantaro vines (Cissus antarctica).

Slightly more difficult, unless one has the benefit of central heating, are the variegated dieffenbachias, heavily mottled dieffenbachias, gorgeously coloured crotons (codiaeums),ebra-striped aphelandras and a whole host of bromeliads forming stiff rosettes of leaves enclosing a central "vase" which must be kept constantly charged with water.

The really difficult ones are all flowering plants and the explanation is simple. Leaves

can be produced freely even when plants are kept constantly in shade but flowers usually require light, and often direct sunshine, if they are to be initiated. This is the element of deep going indefinitely, others will be retained with more difficulty and a few have a life expectancy to be measured in weeks rather than in months.

The easy ones will be those foliage plants that are commonly grown for home decoration. They will include the non-stems with their huge, perennating leaves, the sansevierias with stiffly twisting leaves that look as if they are floating upwards through water, the ferns, the variegated spider-plant, variegated spider-plants, sprawling multicoloured cactuses and trailing Kantaro vines (Cissus antarctica).

Slightly more difficult, unless one has the benefit of central heating, are the variegated dieffenbachias, heavily mottled dieffenbachias, gorgeously coloured crotons (codiaeums),ebra-striped aphelandras and a whole host of bromeliads forming stiff rosettes of leaves enclosing a central "vase" which must be kept constantly charged with water.

The really difficult ones are all flowering plants and the explanation is simple. Leaves

winter flowering primulus and also of the gay cinerarias and really with these all one can hope for is to keep them flowering for a few more weeks, maybe until the spring if one is lucky, and then throw them away. Their chief enemy is dry air and that is difficult to combat indoors though some alleviation can usually be effected by placing the pots in boxes or larger containers and packing sphagnum moss or peat around them. If this is kept constantly wet the slow evaporation will maintain a moist micro-climate around the leaves. A great many other plants, including those grown for their foliage, appreciate and will respond by being noticeably more luxuriant and healthy.

Some of the popular Christmas flowering plants are better outdoors once there is no longer any danger of frost but, except in the extreme south west, that is unlikely to be until mid-May at earliest. Outside they will enjoy a more natural atmosphere and can be sprayed daily if they need extra moisture, as the cyclamens and azaleas certainly will. For this one needs nothing more elaborate than a watering can fitted with a fine "rose" to provide that simulation of rain which

they appreciate and which will keep them growing and flowering in season for several years. Poinsettias are too tender to enjoy an English summer outdoors and they are among the more difficult plants to keep going satisfactorily for several years. One can keep them alive all right; the problem is to make them produce further batches of those gorgeously coloured bracts. They should be watered fairly freely until the bracts commence to fade and then, for three or four weeks, the soil should be kept no more than just moist. This will give the plants a chance to rest. When they are ready to grow again new shoots will appear, a signal to resume watering more freely and, a little later, to start feeding with a dash of liquid fertiliser in the water once a week. During the summer they will appreciate good light but never stop to form flower buds. The signal for this is lengthening nights, warning them that autumn is approaching, but even the light of ordinary 60 watt electric bulbs a few feet away can mislead them and keep them growing uselessly. So unless they can go outdoors from May to early October it is best to get rid of them once they cease to be decorative.

Saintpaulias are an exception in that they will flower freely in quite low light intensities though they are safer and more reliable where the light is fairly good. Specialists, and there are many of them, for the African violets as they are misleadingly called are a lovely race, often grown in special cabinets, rather like little indoor greenhouses complete with their own built-in lighting and heating. Such things can be highly decorative and great fun and will provide a home for many other small plants besides the saintpaulias.

Chrysanthemums are not suitable for permanent cultivation indoors, partly for reasons of poor light and lack of humidity already stated but even more because they are so greatly affected in their growth pattern by day length. During the long days they keep on growing and never stop to form flower buds. The signal for this is lengthening nights, warning them that autumn is approaching, but even the light of ordinary 60 watt electric bulbs a few feet away can mislead them and keep them growing uselessly. So unless they can go outdoors from May to early October it is best to get rid of them once they cease to be decorative.

ARTHUR HELLYER

This offer links the Crescent Plan with the Crescent International Fund. We believe that it makes sense for any private investor who wishes to spread the net by investing at least part of his savings internationally.

Crescent International invests throughout the world in a carefully chosen portfolio with outstanding potential. Since the Crescent International Fund was formed in 1970 the value of units has increased by 106% as compared to a rise in the FT Index of only 39.5% in this period.

THIS COUPON ENTITLES YOU TO A SPECIAL INTRODUCTORY DISCOUNT OF 10%

Subscribers to this offer will receive their first allocation of units at a fixed price of 46p, a discount of over 10% on the current offer price of 51.5p ruling at 30th December, 1977.

This offer closes on Friday 10th January 1978.

To Crescent Life Assurance Co. Ltd., Acre House, Windsor, Berks, SL4 4EL. Tel: Windsor 62443.

I hereby apply for a CRESCENT INTERNATIONAL PLAN assurance policy. Monthly at a subscription of £ _____ Quarterly _____ Yearly _____

I enclose a remittance for the first subscription, payable to Crescent Life Assurance Co. Ltd. Subscriptions must be in exact £s (minimum £5 monthly; £15 quarterly; £50 yearly).

Signature (Mr., Mrs., Miss) _____

First Name (in full) _____

Address _____

Date of Birth _____

Have you had any medical attention during the past 6 months? YES/NO. If YES, please give details.

I declare that I am in good health and agree that this application shall be the basis of the contract.

SIGNATURE _____

DATE _____

A remittance for the first payment must accompany this application. All payments thereafter must be by banker's order or Giro standing order. Not available to residents of the Irish Republic.

Registered in Edinburgh, Number 51555. Registered Office: 4 Melville Crescent, Edinburgh.

FT 502

CRESCENT INTERNATIONAL PLAN

How to spend it

by Lucia van der Post

Have some fun with our New Year Quiz

Christmas or New Year Quiz on this page has now become traditional and every year keen readers start writing in long letters with their ideas and views on what sort of quiz it should be. Several readers found last year's quiz very difficult. We, in this year, didn't think it too difficult as the whole was there were certainly at least two questions that were tricky to answer and that needed some kind of mathematical or logical facility.

This year's quiz has again been compiled by Quiz Digest, the monthly magazine for quiz and puzzle addicts, but in view of readers' comments, I asked them to make it less dependent upon mathematical skills. Last year all the many readers who attempted the quiz

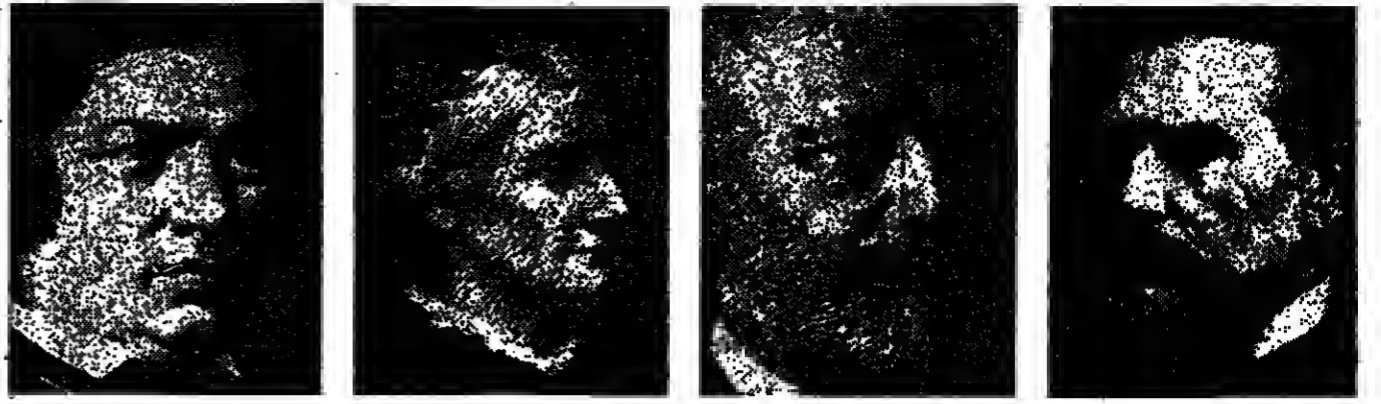
seemed to think it a good idea to tear out the page and fill in the answers in the spaces coloured inks made our job of checking answers very much easier so please do your best to write clearly and to use a good strong-coloured ink.

This year we are again offering three prizes—a magnum of champagne to each of the first three readers with correct (or nearly correct) answers that are opened in this office on Monday, January 9, 1978. Mark your envelope "Quiz" and send the completed page to: "How to Spend It Page," Financial Times, 19, Cannon Street, London, E.C.4. In the meantime I hope you all have fun doing the quiz and a very happy New Year to you all.



Write the answer in the space provided under each question.

- Under which tree did the ancient Druids hold their ceremonies?
- Which member of Royalty is said to have popularised the Christmas tree in this country?
- Which is the world's tallest species of tree?
- Who wrote: "I remember, I remember The fir trees dark and high"?
- Under which tree did Mohammed receive his revelation?
- Which English king hid from his enemies in an oak tree?
- What year was observed as Tree Planting Year?
- What do foresters mean when they refer to some trees as "stag-headed"?
- Who was the king who hastily summoned a Parliament under what is now known as Parliament Oak at Clipstone, Nottinghamshire?
- Supply the missing word in the quotation: "I think that I shall never see A ... lovely as a tree."



GREAT ROMANCES

Here are pictures of the people mentioned in the following romances. Answer the question at the end of each story and write the name on to the picture of that person.

1—A famous English explorer, translator of the "Arabian Nights" Entertainment first saw his future wife when she was a schoolgirl in Boulogne. They met by accident in England years later when he had become notorious for his unorthodox conduct for flouting authority and for a number of books he had written describing his adventures in India, Arabia and Africa. He proposed, on the spot, was accepted and promised to marry her on his return from a three-year visit to Africa. They eventually married after a ten-year engagement and were very happy. On his death the explorer was buried in a Mortlake cemetery under a tombstone resembling a tent. Who was he?

2—In the early 19th century a budding German composer fell in love with his teacher's daughter, but was refused permission to become engaged to her. After numerous protests they were given grudging consent to meet occasionally while the music teacher did all he could to deny his promising pupil. Their unhappy romance was well known in the musical world and brought help from Chopin, Liszt and others. Eventually the lovers were given permission from a court of law to marry on August 8, 1840 and their wedding took place a month later. Both became composers, the husband being much better known than his talented wife. Who were they?

3—For 17 years one of Russia's most famous composers wrote passionate letters once a day to a woman who lived in the same town and she replied in



similar vein, yet they never once met. To help his career she paid off all his debts and made him a regular allowance of 6,000 roubles a year. When he made an unhappy marriage to another woman his admirer offered to pay for his divorce. In gratitude he dedicated his Fourth Symphony to her. When she suffered severe financial losses and could no longer afford to support him she broke off their correspondence despite the composer's desire to continue it. He died in 1893 in a cholera epidemic. Who was he?

4—As the ship carrying the great Italian patriot and liberator of his country neared the shore he put a telescope to his eye and viewed the crowd assembled there. He concentrated on one face only, that of a dark-haired young woman and in that moment he decided to marry her. When he arrived to meet her he realised at once that she had fallen in love with him. In

spite of being married she went with him to be a partner on his campaign fighting in battles and shaming followers who defected into attacking the enemy. Her name was Anita Ribeiro d. Silva. Who was the patriot she ultimately married?

5—She lived in London, in the early part of the last century and, when she was injured falling from a horse, her tyrannical father convinced her and himself that she was an incurable invalid doomed to an early death. The girl, a gifted poet, was discovered by more famous poet who, surprisingly, was allowed to meet her to discuss their work. They fell in love and the supposed invalid eloped with her lover, for feeling her father's regard for ever for a married life during which they both became famous. Who were they?

REBUS

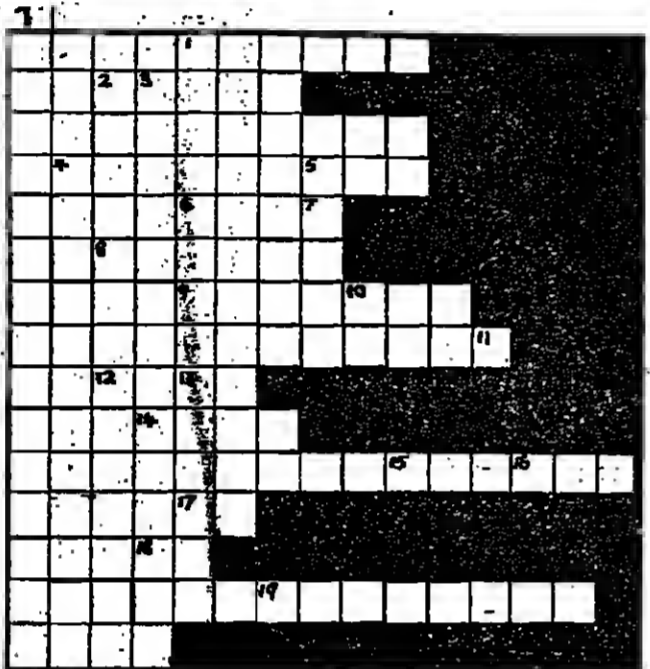
Read the pictures from left to right to make a phrase of three words.



LITERATURE

There is only the one clue down. As the solutions are filled in, the letters which fall into the numbered squares will spell out a phrase connected with the theme of the puzzle.

- DOWN**
- The epitome of miserliness (3, 7)
- ACROSS**
- Hero of a poem by Tennyson, supposedly lost at sea. (3, 5)
 - Possibly the earliest lengthy poem, with tales of the Dark Ages. (7)
 - Scene of Hardy's "Return of the Native". (5, 5)
 - Creator of Chief Inspector Alleyn. (5, 8)
 - A family of French printers whose device was the olive tree. (5)
 - One of the outstanding "western" writers. (4, 4)
 - is the best polish. (Proverb). (5, 6)
 - Author of "I, Claudius" and "Claudius the God". (6, 6)
 - Miller of Trumpington in Chaucer's "The Reeves Tale". (6)
 - A character from Dickens' "Little Dorrit". (7)
 - Creator of Philip Marlowe, private detective. (7, 8)



- "There's no truth at all in N. Secret service hero created the....." (Winter's Tale) (6)
- Unusual hero of a book by Henry Williamson. (5)
- Two Icelandic books of mythology. (4)



WHO WROTE WHAT?

Rearrange the words below to form the titles of ten well known novels. Then write the name of the author and the title of each book on to his or her picture.

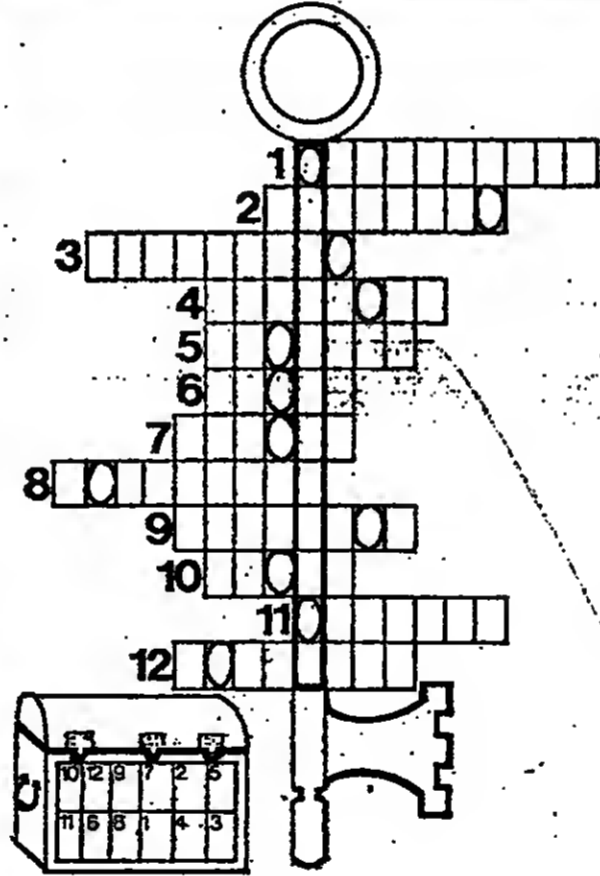
END JOSEPH ROOM TRISTRAM

MILLER ADAM MANNERING LYNDON

ANDREWS LESSWAYS BEDE DAISY

BARRY SHANDY JIM HOWARDS

JACOBS LORD HILDA GUY



TREASURE HUNT

Answer the clues to find 12 British towns and cities. When these are written into the diagram the shaft of the key will reveal the location of the treasure—and the encircled letters, when placed in their correct position in the chest, will tell you what the treasure is.

- Cathedral, subject of a song (10)
- Where pirates sing? (8)
- Look near here for a monster (8)
- Site of battle in 1066 (8)
- Ride a cockhorse to this cross (7)
- Boy's name in South Glamorgan (5)
- Where a cat may look at a queen (6)
- Harm to her (anag) (9)
- The best place to cook tarts in Derbyshire? (8)
- Good place for marbles (5)
- Capital place for Welsh rugby (7)
- Sacred leader in N.W. Wales (5)

FAMOUS STREETS

Write the answer in the space provided under each question.

- Which city has a street popularly called "The Royal Mile"?
- Where is "The Golden Mile"?
- For what is Lombard Street, London, famous?
- What is the name given to Chester's galleried streets?
- What is unusual about Pulteney Bridge in Bath?
- Where did the Fire of London start?
- In which city is a street called Whip-me-Whop-ma Gate?
- In which street is Shakespeare's birthplace in Stratford-upon-Avon?
- What is the origin of the name Shambles given to streets in some ancient cities?
- For which particular house is The Strait in Lincoln famous?

THE NUMBERS GAME

Write the answer in the space provided under each question.

- What is meant by a one-horse town?
- How much is two bits?
- Who were the three musketeers?
- What are the four freedoms?
- What is a hunch of fives?
- Where are the Six Counties?
- Where is Seven Dials?
- How would you feel if you were one over the eight?
- Why does it take nine tailors to make a man?
- Who were the Council of Ten?

REBUS

Form a 5-word phrase from the symbols below.



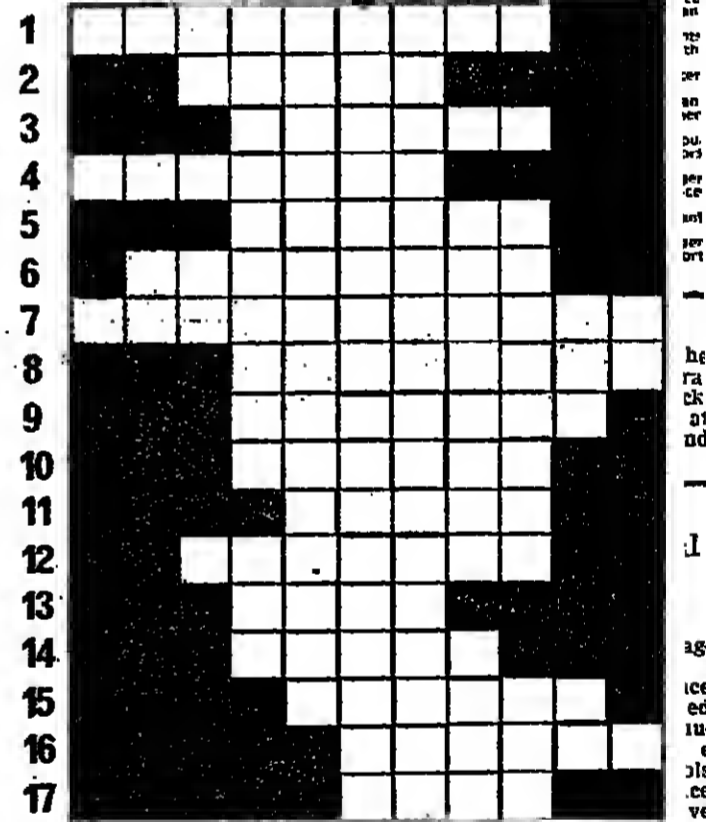
2B

PAIRS

- | | | | |
|-------------|--------|-------|---------|
| Age | Joint | Odd | Ring |
| Between | Joy | Of | Seated |
| Chain | Laid | Out | Stick |
| Comfortably | Letter | Raft | Through |
| Deep | Mail | Red | Wall |
| Flower | Mess | Reed | Warbler |
| Go | New | Refer | Writing |
| Jobs | | | |

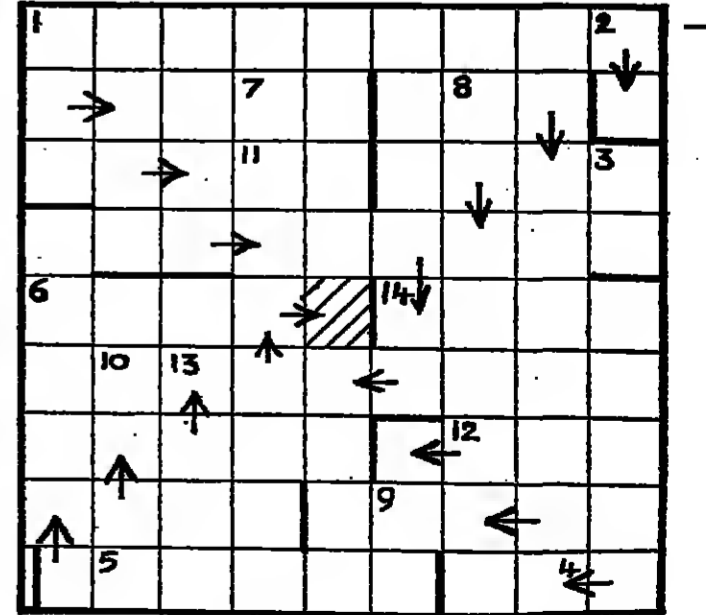
The above words, except one, can be paired up to make either:

- two separate words which form a single expression, for example thin ice;
 - a hyphenated word, for example brief-case; or
 - a single word, for example button (made up of "but" and "ton")
- Which word is left out?



PLAYS AND PLAYWRIGHTS

- Listed below are 17 famous plays. Write the surname of each playwright into the grid and the name of another well-known playwright will appear in the column arrowed.
- | | |
|-----------------------|------------------------------------|
| 1 The Good Companions | 7 Hamlet |
| 2 A Doll's House | 8 The School for Scandal |
| 3 The Birthday Party | 9 The Cherry Orchard |
| 4 Look Back in Anger | 10 Blithe Spirit |
| 5 Threepenny Opera | 11 The Importance of Being Earnest |
| 6 The Monstrous | 12 Doctor Faustus |
| | 13 A Man for All Seasons |
| | 14 Murder in the Cathedral |
| | 15 Peter Pan |
| | 16 Death of a Salesman |
| | 17 Pygmalion |



MINI-CLOCKWORD

To complete this puzzle, solve the clues and enter them in a clockwise order, following the arrows. Each word (from 2 onwards) starts with the last two letters of the previous word. The numbers indicate the beginning of each word and the thick lines the end. The puzzle ends on the shaded centre square.

- Author of The Forsyte Saga
- Dr. Jekyll's other half
- Heroine of Othello
- A horse race that is always Grand
- A state of the U.S.
- Character in The Rivals famous for bar misuse of words
- Play with music
- Slowing down—musically
- Between 4-6 pm at sea
- Famous "tramp" actor
- You die this—if you have no will
- Mexican drink
- Author of Seven Pillars of Wisdom
- Scottish football club

The Arts

A few words from the Headmaster... A Christmas Carol

BY ANTHONY CURTIS

Once again we have come to the end of another year of radio. I should like to say that it is one of which all of us here at Beeb's, members of the staff, boys and girls, may feel reasonably proud. It has not been an easy year: there have been many difficulties and changes to contend with, some of them self-inflicted, others imposed from outside. At the beginning of the year we lost an old and trusted member of the staff, Mr. Arthur Esslin, who left us to nurse up an academic post in his new life and we hope that when he returns to this country will come to see us. Certainly I shall miss his productions which were always a challenge to the mind. His place as Head of the Drama Department has been taken by Mr. Ronald Mason, who came to us from Belfast and brings a wealth of experience following Mr. Esslin. I am sure only all wish him well.

This year has been notable for a friendly rivalry between the four under their respective headmasters. Mr. McIntyre and Mr. Redhead, the lower end of the school, awarding the House Shield to the most lively and original work overall may I say at the task of adjudicating was a year a peculiarly difficult one. To Mr. McIntyre we owe the reorganisation of our teams which was put into effect in easy stages during the course of the year. I am sure year's John Reith cup given for which he attacked this year's assignment. Changes of order are bound to be painful, but those who have combined public and private life in a most successful way, the awarding of the prize to E. Rautzen, the prize to R. Baker. The awarding of the prize to the boy or girl with the most usual mod. to A. Marshall. And finally, the William Haley trophy for the boy or girl who has tried the hardest throughout the year, to S. Morley.

And now will you all please stand while we sing the school song, "O blessed Beeb we lead thee challenges from whatever our ears to thee..."

BY B. A. YOUNG

In adapting Dickens' perennial Christmas parable Denise Coffey has kept creditably close to the original. The familiar Young Vic style, with free acting areas and if you count the inner stage that serves for Scrooge's bedroom, allows her to float the tale from one setting to another easily and convincingly, never offering the children a sudden transfer to other people and places they can't at

Theatre

Every choice is taken of providing a subsidiary laugh when it can be reasonably done. Both Cratchit's Christmas pudding is about the size of a cricket ball, and the prize turkey, "the one as big as me" as street-Arah Peter O'Farrell describes it, is bigger than Mr. O'Farrell or anyone else except Mr. Fezziwig. I wonder how Mrs. Cratchit managed to cook it in time for Christmas dinner?

Basically, though, the story is not for laughs; indeed, if you ignore the sentimentality, it is as grim as the Grimm Brothers' Television scenes of gangsters and police shooting at one another are stigmatised as unacceptable violence: yet here, in this favourite children's tale, we cheerfully accept ghosts and poverty and death and Scrooge being conducted around his own funeral, even if we're told later on that it is all a dream. The grinniness is played down in Paul Marcus's production, but however you treat it the story has some sinister moments.

Twelve players take 44 parts. Not many allow for much depth of characterisation: they are like Phiz illustrations, that help on which says how partial it all is, how unrepresentative of the mass of work actually being done to-day: solve all how much at odds it is with popular taste and understanding. The people, it seems, of all ages, classes and conditions, have yet to come to terms with the likes of Matisse and Picasso, let alone Pollock, Rothko, or Frank Stella; and what they do not choose or are unable to comprehend, they reject. Much rather would they look at something recognisable, familiar, clearly depicted, evidently workmanlike and not too easy to do.

Perhaps there is some substance in the charge, not necessarily of the side of the argument against Katsen and his fellows, but certainly something on the side of popular opinion: for when the most widely enjoyed and actively patronised contemporary works—the originals in Boardrooms and messes throughout the country, the reproductions hanging in millions of homes—are paintings of elephants and railway engines, racehorses and regimental heroes, then critical curiosity demands that at least we take another, proper, look at them. It may be that the simple idea of showing such things alongside their more critically respectable peers has been just too obvious to act upon; and, besides, old prejudices die very hard.

But at last the idea has been taken up, incidentally by two shows and to fascinating effect. "Towards Another Picture" (at Nottingham Castle Museum until January 25) is a selection of post-war British Art, a truly catholic survey of the period put together by Lynda Morris, of the Midland Group Gallery, and Andrew Brighton. It embraces works on the one hand by Francis Bacon, Anthony Caro,



"Under starter's orders, Newmarket," Sir Alfred Munnings.

Towards another picture

BY WILLIAM PACKER

Of the many complaints levelled against modern art, the most abiding, perhaps, is that which says how partial it all is, how unrepresentative of the mass of work actually being done to-day: solve all how much at odds it is with popular taste and understanding. The people, it seems, of all ages, classes and conditions, have yet to come to terms with the likes of Matisse and Picasso, let alone Pollock, Rothko, or Frank Stella; and what they do not choose or are unable to comprehend, they reject. Much rather would they look at something recognisable, familiar, clearly depicted, evidently workmanlike and not too easy to do.

Art

by a typical work from the early '70s, and Richard Smith by one of his kite-like, stretchy paintings of a year or two ago. Other artists are shown in other phases of their careers: an early Kitaj, though shown in London only a matter of months ago, a late sixties Hockney still-life, Hamilton's "Swinging London," Jagger in chains; early sixties Blake and Davis; a fine Freud portrait of 20 years ago—altogether a magpie's choice from among the contemporary establishment.

A gesture has been made towards the more recent avant-garde by the inclusion of photographic work by Gilbert and George, a comparative newspaper presentation by Gustav Metzger, and a large drawing by Terence Atkinson, the most inept piece on show. British soldiers of the Great War. The middle ground is occupied by the older establishment, and by a handful of good Academicians: a fine Bomberg and Stanley Spencer, Laura Knight and William Roberts, Spear, Gribble, and the consistently under-rated Carol Weight. And so come to the people's choice, the "All That" it now makes entertain-

ment. His office, the company, gave his views immediate currency, and an authority they could not hear, and put a sad and irrelevant gloss on his own reputation.

The text of his last speech as President of the Royal Academy is given in the excellent. If rather erratic anthology that replaces a catalogue to this show (Towards Another Picture: 280 pp; published by Midland Group Gallery, £30.00 + 30p p.p.). Compiled by Miss Morris and Mr. Brighton from the writings and other effusions of artists working in Britain since the War, it is at once a valuable document and ideal browsing for anyone the least bit interested in the subject; it covers everything, in its discursive, unpolished way, from skin a younger, better, artist was trapped. Freed hangs best to their mutual advantage, two of our very best artists for generations: Bomberg's small but grand landscape exposed the hollow dramatics of Segno; and Hamilton and Shepherd are perfectly, if somewhat ironically, matched, two clever but not over-thoughtful pot-boilers.

Once the rules of the game have been absorbed, the visitor soon begins to play at picking out the contemporary abstracts, and making generous reassessments: we will have our favourites, whom we love to hate, or have hesitated until now to admit to publicly. Fashionable judgment is a powerful curb; and while this show demonstrates that a good subject and a few tricks will bring popular success, it also makes clear that the Academy's recent reputation has worked against many of its members: which brings us back to their enforced obscurity and begs the question of how they have been betrayed, by his rated Carol Weight. And so come to the people's choice, the "All That" it now makes entertain-

Arts Council film on Peter Maxwell Davies

The Arts Council has for some years been subsidising films related to the visual arts, and has recently widened its policy to take in aspects of other arts. Peter Maxwell Davies and the Orkneys are the subject of the Arts Council's first film about a composer and his surroundings. It is entitled *One Foot in Eden* and is directed by Barrie Gavin.

In 1970 the composer Peter Maxwell Davies took a holiday in Orkney. He came as a tourist and stayed on as a resident. *One Foot in Eden* is not a portrait of Maxwell Davies, but rather an evocation of Orkney in relation to his music. The film takes its title from a poem by Edwin Muir, himself an Orkneyman.

The film has no narration and uses the voices of Orkney to counterpoint the music—the voices of crofters and fishermen and the voices of a rich Orkneyan poetic tradition. George Mackay Brown reads his own verse and there are quotations from the work of Edwin Muir, Robert Rendell and the ancient Orkneyinga Saga. The music of Maxwell Davies is played by the Fires of London, under the direction of the composer.

Radio

earst and Mr. McIntyre, and a large measure of cooperation between one and two. The lower end of the school, awarding the House Shield to the most lively and original work overall may I say at the task of adjudicating was a year a peculiarly difficult one. To Mr. McIntyre we owe the reorganisation of our teams which was put into effect in easy stages during the course of the year. I am sure year's John Reith cup given for which he attacked this year's assignment. Changes of order are bound to be painful, but those who have combined public and private life in a most successful way, the awarding of the prize to E. Rautzen, the prize to R. Baker. The awarding of the prize to the boy or girl with the most usual mod. to A. Marshall. And finally, the William Haley trophy for the boy or girl who has tried the hardest throughout the year, to S. Morley.

And now will you all please stand while we sing the school song, "O blessed Beeb we lead thee challenges from whatever our ears to thee..."

FINANCIAL TIMES MANAGEMENT DIARIES



The best way to be remembered through 1978

Financial Times Management Diaries make the ideal gift for your business associates, anywhere in the world. They set the highest standards in book design, production, information, presentation and craftsmanship.

Desk Diaries
Handsome bound in luxurious black calf leather at £13.98 each* or elegant black leather cloth at £7.51 each*. FT Desk Diaries contain 92 pages of information, including 48 pages of full-colour maps, and generous space for appointments on each of the week-at-a-glance double-page spreads. Among the useful items of information are metric conversion tables, a 6-page business vocabulary in English, French and German, a comprehensive directory of sources of information in Europe, a calendar which looks forward to the year 2000, charts and graphs for business analysis and world time and temperature zone maps.

Pocket Diaries
Simple, convenient and bound in calf leather with gift metal corners. The FT Pocket Diary is a perfect planning aid, providing ample space for appointments, addresses and notes. Other features include a year planner, worldwide sources of business information, and details of Inter-City train services and hotels throughout Europe. At £4.16 each* these Pocket Diaries are exceptional value for money.

Gold Blocking
For around a pound you can personalise your gifts with our superb gold blocking service. Completed within a few days, this allows you to have your company logo and an individual's name or initials gold blocked on the diary's cover. It is a first-class

way of keeping your company's name in front of people all year through.

Delivery
We can deliver your diaries to any address in the world, saving you the time and trouble of packing and posting your gifts.

Discounts
For orders of 25 or more, we offer generous discounts on both Desk and Pocket Diaries. These begin at 8% for 25 or more and rise to 25% for orders of 500 or more.

Act now to avoid disappointment
Complete and return the coupon below and we will do our best to fulfil your order in time for Christmas. That way, the gift you give will be sure to get the New Year off to a good, and well planned, start.

To: The Financial Times Ltd, Diary Department, 10 Bolt Court, Fleet Street, London EC4A 3DF. Tel: 01-248 8000. Telex: 27368.

Like the idea of FT Management Diaries as gifts for my business associates. Please send me your order form, without delay.

Name: _____
Position: _____
Company: _____
Address: _____
Telephone: _____ Date: _____

Collecting

STOLID AS they may appear in other respects, the Edwardians were very susceptible to fairies. They had Arthur Rackham and his tales about fairies at the bottom of the garden. In 1904 the audience at the Duke of York's first thundered back unqualified affirmation to Peter Pan's interrogation, "Do you believe in fairies?" Four years later Hermione Gingold (misrepresented on the programme as Miss Hermine Gingold) took her first steps on the stage in *Pinkie and the Fairies*; and in 1911 Michael Mac Liammoir (then Master Alfred Wilmore) and Noel Coward made their debuts together as King Goldfish and Prince Mussel in the fairy play *The Goldfish*.

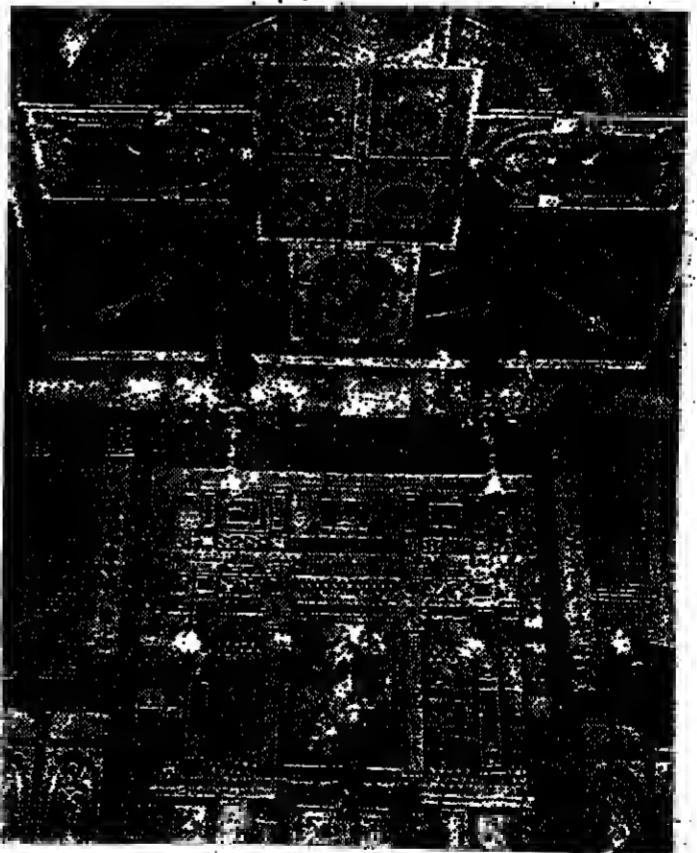
The most spectacular survival of Edwardian England's diplomatic flirtation with fairyland however is Titania's Palace, the creation of Major Sir Neville Wilkinson, KCVO (1869-1940). There was nothing in Sir Neville's early career to indicate his later ethereal interests. The son of a barrister, he went to Harrow and Sandhurst and served with distinction in the Boer War with the Coldstream Guards. After the war his interest turned to art: he studied etching at what is now the Royal College, and in 1908 was appointed Ulster King of Arms. Photographs show him as a handsome, elegant man, with a heavy moustache and a kindly, slightly melancholy gaze.

The trouble may have been bred and Sir Neville had a house at Mount Merrion, south of Dublin; and it was there he started writing fairy tales for children. There, too, in the summer of 1907, he was at work painting a tree trunk when his three-year-old daughter spotted (so she said) a fairy.

Sir Neville had not a moment's doubt "The event led to the conviction that there was at the roots of the tree some snibter-tanecan dwelling where the fairies, or Little People, took shelter during the daylight, to (Edwardian fairies were, naturally, devout C of E) earned him the Society of Miniature Painters.

The state rooms are in Italian 18th century style, with slightly

Do you believe in fairies?



The Chapel, Titania's Palace

beauty should lie for ever hidden... If a special building were made above ground, the Fairy Queen and her Court might be persuaded to transfer themselves and their treasures to the visible palace... Without delay he set about designing a suitable residence. With an overall area of seven feet by nine, the Edwardian Palladian exterior was constructed of mahogany, by James Hicks of Dublin. Later Sir Edwin Lutyens designed a belfry to carry a carillon capable of playing six tunes, including the National Anthem. Sir Neville designed most of the decoration, and it was said that his exquisite reredos in the Chapel (Edwardian fairies were, naturally, devout C of E) earned him the title of vice-president of the Society of Miniature Painters.

The Palace is full of treasures collected over the years or donated by well-wishers. There are 16th-17th century Nuremberg miniature cannon and caskets, an 18th century Swiss mechanical fountain 24 inches high, a jewelled peacock made for the 1856 Paris Exhibition, and a watercolour 24 inches by 14 inches painted by Samuel Palmer as a wedding present for Sir Neville's mother, in the majestic Edwardian bathroom.

"the rock crystal bath in which the fairies dye their wings" is a 17th-century watch case.

Though the pipe organ in the chapel actually plays, there is no plumbing in the bathroom, "the bath is filled with seaweeds brought in rose-leaves by attendant fairies." Sir Neville was nothing if not consistent in his whimsy: there are no external doors since fairies enter by the windows. Outside the back door grows the pumpkin from which Cinderella's coach-to-be was plucked.

Whimsical as it may seem, the Palace had a serious purpose. "The first necessity is to try to make Fairyland suggest to every child a kind thought leading to a good and useful deed." Just as the proceeds from Peter Fox were made over to the Great Ormond Street Hospital for Sick Children, Titania's Palace was dedicated with a Greek inscription: "Silver and gold have I none but what I have I give thee"; and from the start his intention was to use the house to raise money for children's charities. For 45 years it travelled the world, was seen by two million people and raised £150,000. In 1967 the same Miss Gwendolin Wilkinson who had seen the fairy in 1907, found it impossible to go on exhibiting the Palace, and so sold it at Christie's, still on behalf of children's charities. It realised £30,000 guineas. During the next ten years it was exhibited by its new owner, Mrs. Olive Hodgkinson, at Wooley Hole and St. Heller, Jersey.

Now, following the death of Mrs. Hodgkinson, it returns to the saleroom; and this remarkable piece of fairy real estate, with all the treasure of Titania and Oberon, the Princesses Isis and Ruby and the Princess Noel and Zephyr intact, will go into the hammer as a single lot at Christie's at midday on January 10. It will be on view on Friday, January 6 and Monday, January 9, and from 2 p.m. to 5 p.m. on Sunday, January 8.

JANET MARSH

TREND C
Figur

HOME NEWS

Check trading system for monopolies probe

BY DAVID CHURCHILL THE MONOPOLIES Commission is to investigate the supply of check trading franchise and financial services...

about £166m. were issued, with the debt outstanding at the end of the year at £146m. The reference was, however, decided yesterday by one of the main companies involved in the business, the Provident Financial Group...

New fire brigade structure approved

BY DAVID CHURCHILL A NEW TOP management structure will be introduced into the London Fire Brigade as soon as the current strike ends...

BP and French oil group abandons well

BY RAY DAFTER, ENERGY CORRESPONDENT BRITISH PETROLEUM and a French group of oil companies have abandoned a North Sea exploration well...

BP has already found oil in this block. A well sunk in March 1976 produced a flow of 4,800 barrels a day...

Four posts

ACAS suggested a top structure below the Chief Officer and is Deputy of four 'responsibility centres'...

More policemen resign

RESIGNATIONS FROM police forces in England and Wales have reached unprecedented levels...

Trend of industrial profits

Figures show an improvement in industrial profits in the 549 companies whose accounts fell between October 1976 and January 1977...

Table with 3 columns: Profit category, 1976, 1977. Rows include Total number of industrial companies, Trading profits, Percentage change, etc.

Biggest accounting firm has £28m. fee income

BY MICHAEL LAFFERTY PEAT MARWICK MITCHELL, the biggest accounting firm in the U.K. has a fee income which is now running in the region of £28m. a year...

Mr. Grenside says that Peat Marwick's now has about 3,500 staff in the U.K., as well as 141 partners, giving a fee ratio of £2,137 per person...

Restricted

The firm's 1977 results are said to reflect 'record figures' for its management consultancy business...

Minister's aide resigns

BY RICHARD EVANS, Lobby Editor THE LABOUR MP for Woolwich East has resigned as Parliamentary private secretary to Mrs. Shirley Williams...

More Overseas News Page 18

Soares helped by disagreement

BY DIANA SMITH DR. MARIO SOARES, Portugal's caretaker Prime Minister, has begun a marathon round of bargaining with his political rivals...

TUC affiliate

AN ARTICLE in last Wednesday's 'Financial Times' which reported a recognition dispute between the Engineers and Managers' Association and a TUC affiliate...

S. Africa, Swapo for New York talks over Namibia

BY QUENTIN PEEL SOUTH AFRICA has agreed to a new round of talks on the future of the disputed territory of Namibia...

Mr. Botha said South Africa had always been prepared to talk to representatives of the western powers...

The diplomats point out that Mr. Vorster has consistently refused to recognise the claim of Swapo to be the sole authentic representative of the people of Namibia...

It is understood that the invitation was presented by envoys representing the five Western members of the UN Security Council...

Although the invitations do not propose a joint meeting, there is widespread speculation here that this is the ultimate Western intention...

Political analysts believe however, that Mr. Nkomo had discussed the invitation with Prime Minister Ian Smith to reach a negotiated settlement...

Accord soon, says Sithole

BY SALISBURY, Dec. 30. A BLACK NATIONALIST leader negotiating with the Rhodesian Government to end white rule said on Friday that agreement on the complex issue of white parliamentary representation under black rule is possible next week...

No resignation, says Andreotti

BY PAUL BETTS SIG. GIULIO ANDREOTTI, the Italian Prime Minister, claimed today that there was 'no open political crisis' in Italy and that his Government was not about to resign...

Deadlock in U.S. miners talks

NEW YORK, Dec. 30. TALKS AIMED at ending the four-week strike by 160,000 U.S. miners ended in deadlock this afternoon...

Coffee futures investigation

BY OUR OWN CORRESPONDENT NEW YORK, Dec. 30. THE U.S. Government is investigating large purchases of coffee futures contracts by agents of Brazil on El Salvador...

Tripartite talks likely in Iran

BY ANDREW WHITLEY TEHRAN, Dec. 30. THE FIRST VISIT by a U.S. President to Iran for five years beginning tomorrow, is almost certainly going to be dominated by the fast changing pace of events in the Middle East...

Israel oil field to open

BY L. DANIEL TEL AVIV, Dec. 30. ISRAELI WILL start producing crude oil from the newly opened offshore field at Akko, on the Eastern side of the Gulf of Suez...

U.S. indicators 'modest decline'

WASHINGTON, Dec. 30. THE U.S. index of leading economic indicators which is designed to forecast the future behaviour of the American economy, tumbled down slightly last month after four months of modest increases...

U.S. indicators 'modest decline'

WASHINGTON, Dec. 30. THE U.S. index of leading economic indicators which is designed to forecast the future behaviour of the American economy, tumbled down slightly last month after four months of modest increases...

Deadlock in U.S. miners talks

NEW YORK, Dec. 30. TALKS AIMED at ending the four-week strike by 160,000 U.S. miners ended in deadlock this afternoon...

Coffee futures investigation

BY OUR OWN CORRESPONDENT NEW YORK, Dec. 30. THE U.S. Government is investigating large purchases of coffee futures contracts by agents of Brazil on El Salvador...

SALE OF TWO CENTURIES. STARTS TUESDAY JANUARY 3rd. 25%-50% REDUCTIONS! CHESTER BARRIE, D'AVENZA and ACKERMAN INTERNATIONAL SUITS up to 50% chest size. PLUS! DRAMATIC REDUCTIONS on top coats, sports jackets, trousers, shirts, ties, pyjamas, knitwear, shoes etc.

1978 OUTLOOK The UK Economy Giving the Chancellor some room for manoeuvre

BY ALEC CAIRNCROSS

A salutary tale

Christmas tree is said to have been invented by the 15th century as a means of conveying the Germans to their Christian faith. It was from the Netherlands that it was introduced into England in the 17th century, by the Prince Consort.

Before the war, then, Aunt Alice was well known for the assurance and pride she took in her Christmas tree. Her tree, like the usual ones and only one, had a set of dwarf dolls to be placed with the tree.

Three months later, a visiting nephew found the curtains drawn and heard behind them the sound of carols and the faint humming of dwarfs.

It worked: Aunt M. became a self-improver. But the next day, at twilight, she came quietly up to Uncle and suggested that it was time for the children to gather round.

Letters to the Editor

Farming From Mr. W. Hodgson Sir—As one of those farmers who voted to join the EEC I am now having grim thoughts as to what part British agriculture is going to take in future plans for the Community.

Scotch From Mr. R. Lightfoot Sir—Why doesn't Distillers sell its Scotch to overseas distributors in this country? The distributors would then bear the cost of transport and we would all be back at square one with current prices in spite of the Commission's ruling.

Protection From the Fire Engineering Adviser, Bland Payne (U.K.) Sir—In view of the current emphasis on fire safety, the consequences of reliance on an untrained fire fighting service, using limited equipment and mainly out of date equipment, is ironic that two in the U.K. the Germans will invest in the development of an effective fire protection system.

Taxation From Mr. H. Cole Sir—The company Mr. Brooks asks us to consider (December 23) seems to be based in cloud-cuckoo-land. First we are supposed to conclude that, faced with inflation at 10 per cent, it makes no attempt to raise its own prices.

Earnings From Mr. B. Morris Sir—The basic problem is that the Inland Revenue practices sex discrimination and interferes with the laws of nature by giving a married man £500 more on personal allowances than a single person at £245 (which is also equal to wife's earned income that no-one can ever beat the market. What it does state is that in an efficient market it is not possible to achieve a consistently superior performance by age groups.

ANYONE TRYING to assess Britain's economic prospects in 1978 can hardly fail to be chastened by a backward look at the extraordinary changes in 1977—changes that could hardly have been foreseen a year ago.

These dramatic changes have not been paralleled by any corresponding transformation in "the real economy." Industrial production has hardly altered over the year and is only 2.3 per cent higher than in 1970.

Not that he has, even now, a great deal in hand. Inflation has slowed down but seems bound to speed up again. If wages rise at 15 per cent—and nobody seems to expect an appreciably smaller increase—it will no longer be possible to compensate this by a further appreciation of the pound and it is unlikely that world commodity prices will go on falling at the rate they have done in recent months.

Even good Uncle Franz began after 18 months to lead a dissolute life. He took to having himself represented at the ceremony by an impoverished artist—subsequently replaced by a troupe of unemployed actors who were prepared, at a price, to stand in for all the adult members of the family.

Everyman From Mr. D. Wilmut Sir—I have been an avid reader of your paper since the end of the war and I have gained much from it. Over the years I have noticed that it has been read with great care and end-notes and indeed I saw one studying it most carefully in Lincoln's Inn Fields only the other day.

Markets From Dr. A. Henfrey Sir—There would appear to be much confusion in your columns as to the meaning and validity of the efficient market model in U.K. stockmarkets (R. Glass, December 20).

Markets From Dr. A. Henfrey Sir—There would appear to be much confusion in your columns as to the meaning and validity of the efficient market model in U.K. stockmarkets (R. Glass, December 20).

Markets From Dr. A. Henfrey Sir—There would appear to be much confusion in your columns as to the meaning and validity of the efficient market model in U.K. stockmarkets (R. Glass, December 20).

accelerating, capital is flowing and there can be no guarantee that this process has now come to an end. In nearly all the leading industrial countries outside North America industrial production in the middle of the year was either lower or only insignificantly higher than at the end of 1976.

Exports of manufactures, on the other hand, can hardly be expected to repeat last year's fast rate of expansion and even on a fairly optimistic view of world trade prospects will do well to average half last year's rate of growth, with a progressive slowing-down as the year proceeds.

With plenty of unused industrial capacity and the prospect of tighter money, private investment is not likely to show any marked recovery, except possibly in housing, and public investment, already cut severely, is bound to remain depressed for some time.

Further, even if Mr. Brooks were otherwise correct, I fail to see why the company could not at least finance its additional debtors of £41,000 out of profits of £24,000; it can factor its debts for a lot less than 60 per cent per annum.

Markets From Dr. A. Henfrey Sir—There would appear to be much confusion in your columns as to the meaning and validity of the efficient market model in U.K. stockmarkets (R. Glass, December 20).

Markets From Dr. A. Henfrey Sir—There would appear to be much confusion in your columns as to the meaning and validity of the efficient market model in U.K. stockmarkets (R. Glass, December 20).

Markets From Dr. A. Henfrey Sir—There would appear to be much confusion in your columns as to the meaning and validity of the efficient market model in U.K. stockmarkets (R. Glass, December 20).

Markets From Dr. A. Henfrey Sir—There would appear to be much confusion in your columns as to the meaning and validity of the efficient market model in U.K. stockmarkets (R. Glass, December 20).

recovery. The post-war investment boom of the past 20 years seems to have subsided just as the OPEC surplus emerged and although the energy shortage may eventually bring on another upswing, there is for the time being a lull in private investment, aggravated by the recession itself.

At the same time shortages and bottlenecks persist, skilled labour remaining hard to find, and there are doubts about the responsiveness of industrial output to increases in demand. This in turn disposes governments to caution in pursuing expansionary policies for fear of pushing up prices.

These are sobering thoughts, and they are certainly influencing the Chancellor in deciding how much deflation is appropriate. On the one hand the air is thick with the cries of those who want to create jobs by tinkering with supply and who put forward prescriptions which nearly all add up to reducing productivity.

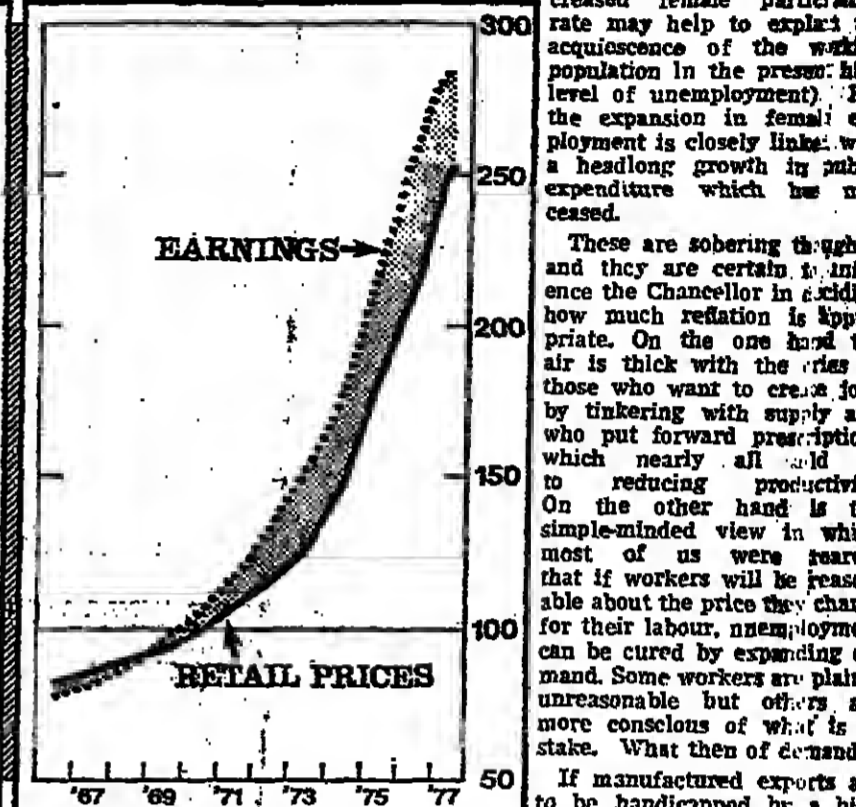
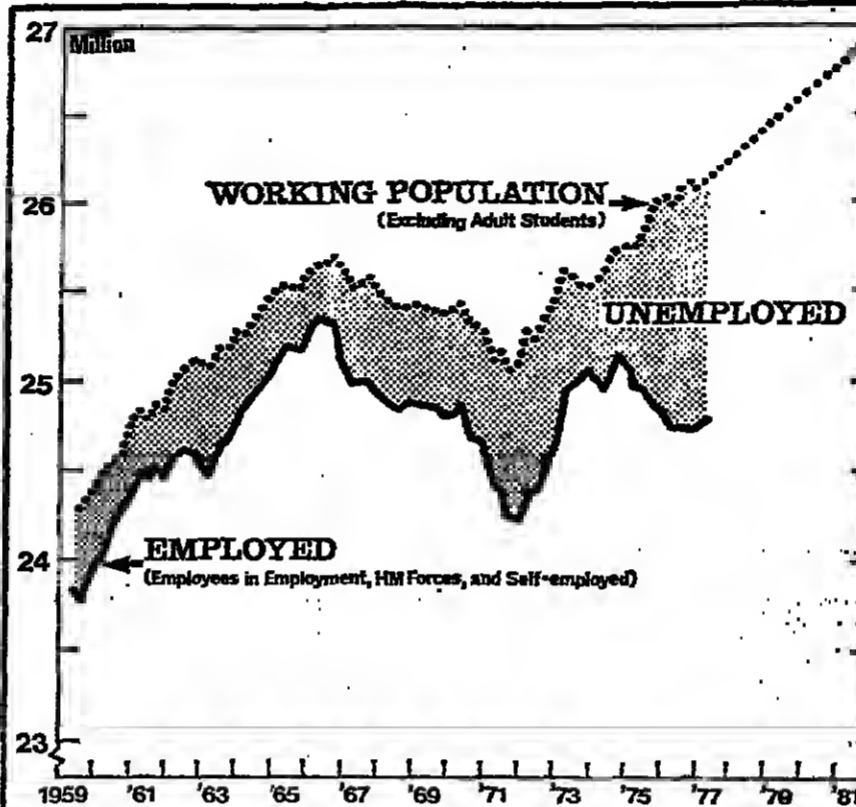
If manufactured exports are to be handicapped by a high rate of exchange and world trade is stagnant there is not a great deal to be hoped for from that direction. If public expenditure is to be held steady, not much additional employment will arise there either.

Letters to the Editor From Mr. W. Hodgson Sir—As one of those farmers who voted to join the EEC I am now having grim thoughts as to what part British agriculture is going to take in future plans for the Community.

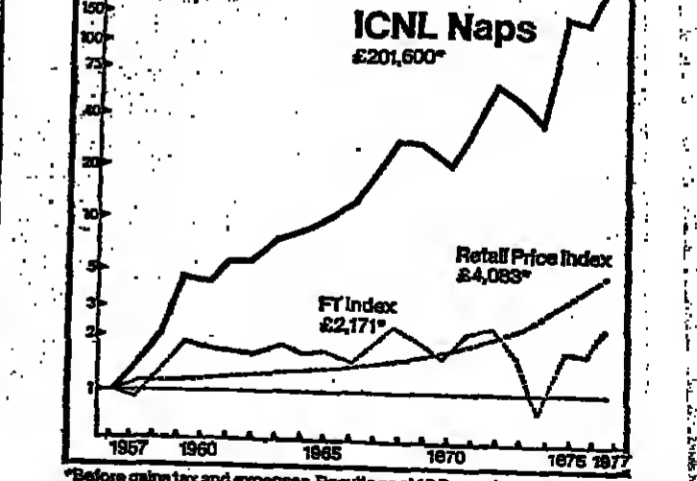
Scotch From Mr. R. Lightfoot Sir—Why doesn't Distillers sell its Scotch to overseas distributors in this country? The distributors would then bear the cost of transport and we would all be back at square one with current prices in spite of the Commission's ruling.

Protection From the Fire Engineering Adviser, Bland Payne (U.K.) Sir—In view of the current emphasis on fire safety, the consequences of reliance on an untrained fire fighting service, using limited equipment and mainly out of date equipment, is ironic that two in the U.K. the Germans will invest in the development of an effective fire protection system.

Taxation From Mr. H. Cole Sir—The company Mr. Brooks asks us to consider (December 23) seems to be based in cloud-cuckoo-land. First we are supposed to conclude that, faced with inflation at 10 per cent, it makes no attempt to raise its own prices.



DON'T MISS THE NAP SHARES FOR 1978



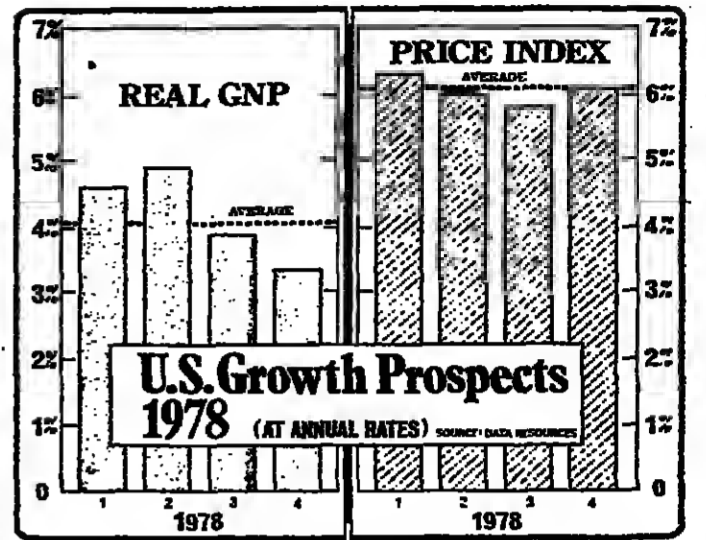
At the beginning of every year, the IC News Letter selects a number of shares for capital gain over the following twelve months—its Star Nap Selections. The chart above shows the cumulative 12-month performance of each year's Nap Selections over the last 20 years plus the performance to date of the 1977 Selections which are showing an average gain of 69.4% led by Serck and De La Rue.

You may have missed these past opportunities, but you can make sure that you do not miss them in future by subscribing now to the IC News Letter. The News Letter's weekly recommendations continue to beat the index by a wide percentage margin, averaging into double figures on an annual basis.

1978 OUTLOOK The American Economy

Auguries for a fourth year of recovery

BY PROFESSOR PAUL SAMUELSON



If the American economy were more of a laissez faire system, as it used to be before Franklin Roosevelt's New Deal, I should consider its propensity to fluctuate and frustrate the forecasters to be even greater than it now is.

Because the U.S. has engineered a more vigorous recovery than have Japan, West Germany and Europe generally, our balance of trade has swung into heavy deficit. Contributing to this continuing deficit has been the fact that the price of oil and petrol has been kept cheaper to American consumers than the price abroad, leading to large imports of energy. Next year, if the recoveries abroad live up to their promise of catching up a bit, U.S. exports ought to show a higher growth rate than U.S. imports. But the improvement in the trade balance a year from now will still be a modest one.

Europeans have been scolding the Americans for letting the dollar float cleanly downward. The economic level of such European criticisms has been shockingly low. So long as American consumers insist on importing much oil, and if OPEC does not wish to take payment for it in U.S. merchandise, equilibrium can come only with a cheaper dollar. There is no evidence that the U.S. has been shouldering workers abroad out of jobs by a flood of cheap American exports.

	I	II	III	IV	4-Quarter Average
Real GNP growth	4.6	4.9	3.9	3.3	4.16
Price index growth	4.3	6.0	5.8	6.1	6.1
Money GNP growth	11.2	11.1	9.9	9.4	10.4
Money supply growth	8.4	7.8	7.4	8.3	8.0
Profit growth over previous four quarters	10.8	5.7	9.2	15.3	15.3
Unemployment rate	6.7	6.6	6.5	6.4	
Short-term interest rate (Federal funds rate)	6.9	7.1	6.9	6.7	
Long-term interest rates (New high grade corporate bonds)	8.4	8.6	8.6	8.5	

THE CONSENSUS forecasters, myself included, predicted a year ago that 1977 would be a healthy year for the American economy. For we were on the mark. And though our post-1975 recovery is entering into its fourth year, 1978 prospects in the U.S. look fairly good.

REAL GROWTH is expected by most forecasters to be at least 4 per cent, annual rate, which will rule out a recession of the rate of growth if realised.

UNEMPLOYMENT is likely to fall a bit during the next 12 months, but not enough to improve appreciably job opportunities for minorities, unskilled workers, and urban youths.

INFLATION, alas, can be expected to hover around 5 1/2 per cent annual rates, a slight easing after the performance in 1977. (The word "alas" is almost perfunctory, since multiple are pretty much resigned to adjusted to the absence of stable price levels.) Wage increases look likely to rise by at least 8 per cent, which is more moderate than in most of Europe, but is still in the worrisome zone.

DOLLAR PROFITS, which

Wall Street and other investors used to consider an important consideration, are expected to rise another 10 per cent within 1978.

There are, of course, pessimistic forecasters who foresee a sadder tale for 1978. Chase Econometrics, in something of a repeat of my last year's citation, confidently predicts a growth recession for the U.S. in the year ahead. The University of Michigan model, which has enjoyed a good batting average over the years, sees growth during the next four quarters of only about 3 per cent—not

enough to make much of a dent in the level of unemployment.

The majority of 40 bank, corporation, university and brokerage projections that I have seen bunched around numbers much like those I have reported above. The projections of Data Resources Inc., whose numbers I used last year in tabulating the outlook, are, perhaps, typical. Because Professor Otto Eckstein of Harvard and DRI had such a good forecasting record in 1977, the table presents the new DRI projections for 1978.

By and large over the years

the post-Keynesian eclectic theory, has also failed to live up to its investors' strong hopes. Many were misled in 1977 by transient movements of the so-called "leading indicators." Conditional forecasts based merely on the duration of the existing recovery in comparison with the spread of earlier durations is like diagnosis by a doctor who relies exclusively on the patient's age rather than on a more elaborate range of tests. It is a case not so much of "measurement without theory," as of no theory and not much measurement.

A retreat to prediction purely in terms of past statistical auto-correlations of the time series themselves, simple or sophisticated Box-Jenkins techniques, has not yet been able to deliver the goods of improved forecasting. The all-important turning points are masked rather than pointed up by such methods.

The summary: economic forecasting is still far from an exact science. When the least unreliable method guesses that end-of-1978 output will be 4 per cent above start-of-year, it's James Tobin of Yale and others sensitive to the dearth of job opportunity for underprivileged workers.

When Government is pursuing prudent stabilisation policy, the task of the forecaster is slightly eased. Thus the forecasts in the table are based upon a substantial tax reduction next October for families and for corporations. If the economy should prove more vigorously expansive than expected, one can count upon some ebbing of the enthusiasm for a large fiscal stimulus.

Although Mr. William Miller, the successor to Dr. Arthur Burns as chairman of the Federal Reserve Board, is an unknown with respect to his views about central banking, one can bet that the Federal Reserve will be under political pressure to "lean against the wind." If 1978 shows growth like that in the table, the Federal Reserve is sure to be creating new money at a rate higher than the monetarists think desirable, and it is equally sure to be letting interest rates rise more than is considered optimal by Professor James Tobin of Yale and others sensitive to the dearth of job opportunity for underprivileged workers.

1978 OUTLOOK Europe

Upturn is unlikely to materialise

BY REGINALD DALE, European Editor



M. Raymond Barre (left), France's Prime Minister; two more years will be needed. Mr. Roy Jenkins (right), President of the EEC Commission: had a frosty reception.

WESTERN EUROPE does not look like having a particularly prosperous New Year. The hoped for economic upturn is not materialising, in many countries unemployment is at old levels and still rising, inflation, though receding, still high by traditional standards. Throughout 1977 with targets, whether set by the OECD, national Governments or the Downing Street summit in May, were contentedly missed. West Europe's growth rate for 1977 now looks like having been no more than about 2.5 per cent, against original expectations of 4 per cent. The outlook for a coming year of perhaps 3.5 per cent is only marginally better.

There have been some bright spots. The two "sick men" of Europe, Britain and Italy, have succeeded in turning long-standing balance of payments deficits into surplus, and the French deficit is diminishing. The North Sea oil, has been particularly strong, and the entry is at last experiencing long-forgotten phenomenon upward pressure on the change rate.

But Italy's problems are by means over—the threat of continuing high inflation gains especially serious — in France, M. Raymond Barre, the Prime Minister, has had that two more years will be needed to set the economy in order. If, as is possible, Left wins the French general elections in just over a month's time, control over economy will be taken out of his hands, and there will be a new period of economic uncertainty.

Secretary is, in Europe at any rate, pointing the finger at Germany. The slow pace of expansion in Germany is having a particularly depressing effect on the four Nordic countries, which do not expect to be able to produce an aggregate growth rate of more than about 0.5 to 1.5 per cent in the coming year.

The unexpected length of the recession has come as a nasty surprise to those who were patting themselves on the back at the way the West averted the threat of an immediate outbreak of protectionism when the international economic crisis first struck. Now, with the prospects of recovery looking increasingly remote, it is clear that the danger is far from over. In Geneva, where the long drawn-out Tokyo Round of multilateral trade negotiations is about to move into its final stage, there are real fears that individual protectionist measures could cause a chain reaction of 1930's proportions.

Most European Governments have concluded that the threat is real enough to warrant some modification of traditional free trade philosophies so as to alleviate pressures from industry and trade unions. Most other countries were sceptical when M. Valéry Giscard d'Estaing, the French President, first unveiled his concept of "organised free trade" a year ago, but it is increasingly becoming the policy of the EEC. The British Government is openly embracing the idea and even insisting less firmly than in the past on the virtues of totally free trade.

It is a major problem for Western Europe that the recession has come at a time when lower cost areas is beginning to have increasingly serious repercussions on the developed countries. Most European Governments are now waking up to the prospect that many of their labour intensive industries will have to be either abandoned or heavily subsidised in the years ahead.

This realisation lies behind the French concept of organised free trade, which is officially regarded as a temporary ex-

stronger and weaker—a decision that is basically in German hands. The Community's budget is still only equivalent to 0.7 per cent of the Nine's total Gross National Product. Moreover the budget is still constantly being cut by the nine Governments in the Council of Ministers.

The Nine remain unenthusiastic about new moves towards greater integration, and the brave attempt by Mr. Roy Jenkins, the President of the European Commission, to resuscitate the drive to economic and monetary union has had a frosty reception from member Governments—even if there have been some echoes of support from more traditionally "pro-European" quarters. Mr. Jenkins's view, that one could cut the Gordian knot of economic divergence by pressing ahead with monetary union first, used to be fairly close to the heart of the French Government. That no longer appears to be the case.

Mr. Jenkins argues that both Europe and the world would gain from the creation of a common European currency comparable to the dollar in international standing. This, he maintains, will provide a chance for tackling monetary inflation at the root and the opportunity for a new impetus to activity and employment. Regional disparities could be tackled more easily, while a European monetary authority could be combined with greater decentralisation in other areas. Finally, a new impetus would be given to political integration. That last argument is not, of course, calculated to appeal to most of his former colleagues at Westminster.

Mr. Jenkins seems to have been motivated by several considerations when making his proposals at such an apparently inauspicious time. After almost a year in Brussels, he clearly thought it was time that he and the Commission moved more sharply onto the initiative in European decision-making. With the fast direct elections to the European Parliament soon due, if not next year, then in 1979, Mr. Jenkins hoped to start a major debate on the way ahead for the Community that would stimulate interest in the poll. If these sort of issues are in fact seriously debated in the campaign, then Mr. Jenkins may well have done the Community a useful service.

A further consideration must also be the commitment to enlarge the Community to include three new relatively backward Mediterranean members—Greece, Portugal and Spain. To many traditional "Europeanists" the next enlargement seems almost certain to put an end once and for all to the original concept of a tightly knit supra-national Europe. That is precisely one of the reasons why it is welcomed by others. So it could well be argued that in the comparatively small time before the new members enter, the Community has a last chance to strengthen its cohesion. Certainly, France only agreed to the first enlargement in which Britain, Ireland and Denmark joined, on condition that the Community was first developed and reinforced—a condition

that can hardly be said to have been fulfilled in practice.

There seems equally little chance of such a process taking place this time round. Greece is knocking hard on the door and is hoping to become a full member at the beginning of 1980. The admission of Spain and Portugal will take several years longer, but there is little evidence that they will join a Community that is substantially different from that of today. Apart from the agricultural problems that Spanish entry will cause for France and Italy, the

arrival of the three new members can only exacerbate existing economic divergences within the Community.

If the outlook for further integration is sombre, the Community is at least still carrying out its daily business and acting, in the words of Sir Christopher Soames, the former Commissioner Vice-President, as a "major pole of attraction" to the outside world. If the superstructure of the European edifice remains to be put in place, the foundations are, at least still there.

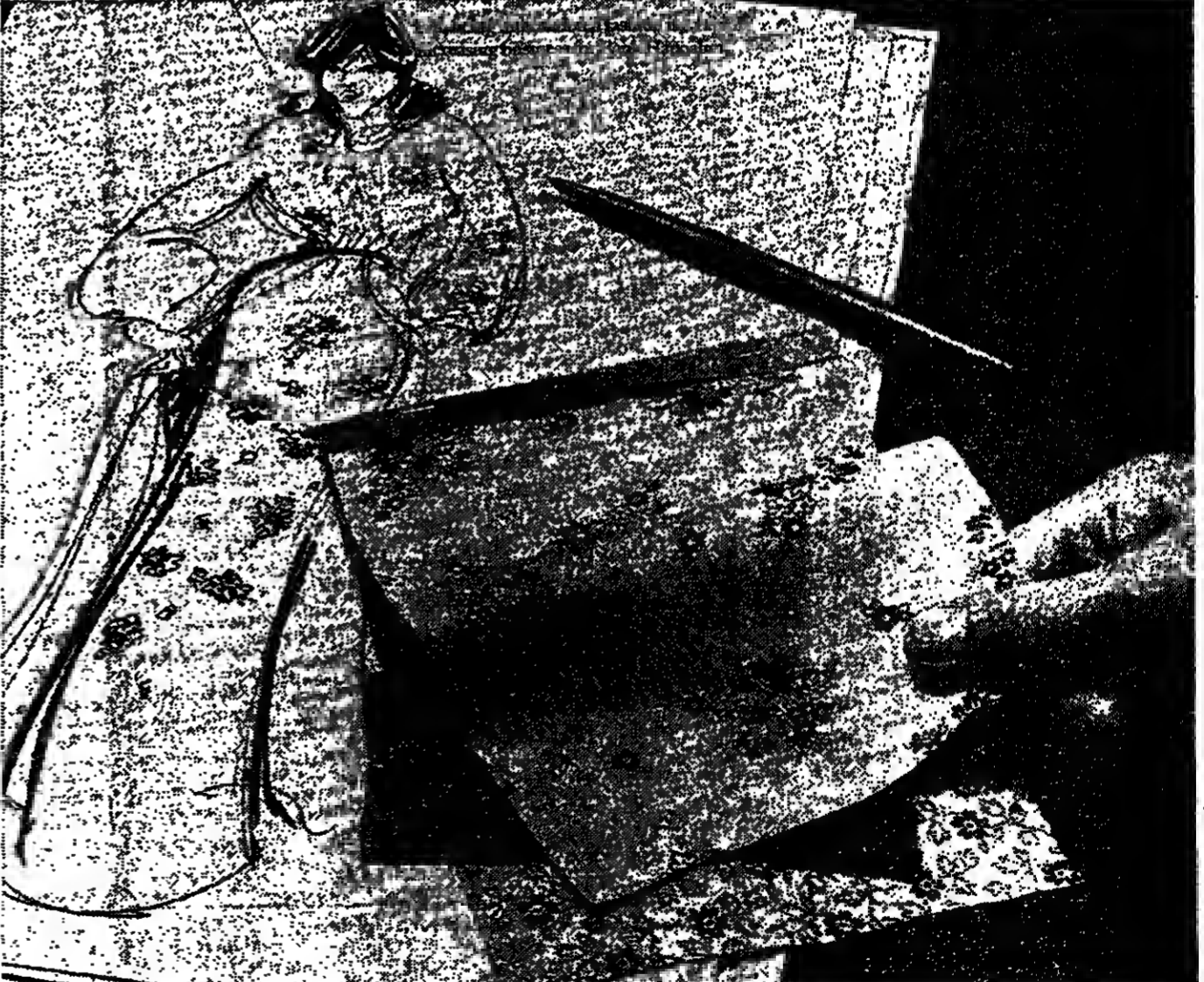
Initiative

Mr. Jenkins seems to have been motivated by several considerations when making his proposals at such an apparently inauspicious time. After almost a year in Brussels, he clearly thought it was time that he and the Commission moved more sharply onto the initiative in European decision-making. With the fast direct elections to the European Parliament soon due, if not next year, then in 1979, Mr. Jenkins hoped to start a major debate on the way ahead for the Community that would stimulate interest in the poll. If these sort of issues are in fact seriously debated in the campaign, then Mr. Jenkins may well have done the Community a useful service.

A further consideration must also be the commitment to enlarge the Community to include three new relatively backward Mediterranean members—Greece, Portugal and Spain. To many traditional "Europeanists" the next enlargement seems almost certain to put an end once and for all to the original concept of a tightly knit supra-national Europe. That is precisely one of the reasons why it is welcomed by others. So it could well be argued that in the comparatively small time before the new members enter, the Community has a last chance to strengthen its cohesion. Certainly, France only agreed to the first enlargement in which Britain, Ireland and Denmark joined, on condition that the Community was first developed and reinforced—a condition

Divergent

The economies of the Nine, though all struck by recession and unemployment, remain widely divergent. Inflation rates, for example, range from 3.7 per cent in Germany to over 18 per cent in Italy. There is no sign of any readiness to organise the kind of massive transfer of resources that would be needed to start narrowing the gap between



Our style makes international business much more personal.

Bank Hapoalim is the 11th largest bank in the world, with over 280 offices in 9 different countries combining assets of \$4.2 billion.

But it's not faceless. We negotiate large international deals from food to fashion with a personal and sympathetic understanding of the market. And the customer.

We're big but we also recognise that it makes for much more effective business if we're personal too. Discussing principle and detail face to face.

That way you get fast, efficient, international finance service.

Contact the manager of your nearest branch. We're sure you'll like our style. Even if your business isn't in vogue.

8/12 Brook Street, London W.1X 1AA.
Tel: 01-499 0169. Telex 889022
22/23 Lawrence Lane, London EC2A 5BA.
Tel: 01-600 0921/7. Telex 888805



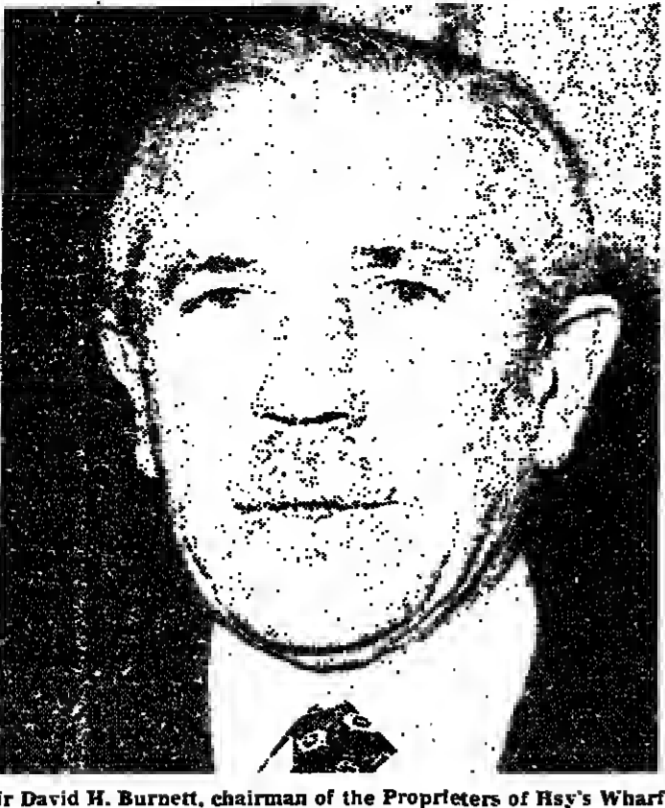
Head Office: 30 Rothschild Boulevard, Tel Aviv, Israel.
New York, Los Angeles, Zurich, Toronto, Johannesburg, Buenos Aires, Sao Paulo, Caracas.

MISS THE 85 FOR 1977

COMPANY NEWS + COMMENT

Exchange rates eat into Cavenham profit

AFFECTED BY adverse exchange rate movements trading profit at Cavenham...



Sir David H. Burnett, chairman of the Proprietors of Hay's Wharf.

Greater potential is overseas

Investment managers now feel that investment overseas at present offers the greater potential for capital growth...

UNIT TRUSTS

Greater potential is overseas

Investment managers now feel that investment overseas at present offers the greater potential for capital growth...

Hay's Wharf sees more progress

HAVING COMPLETED important disposals of low-yielding and loss-making assets during 1976-77...

Massey Ferguson fall £5m.

TAXABLE earnings declined from a record £33.2m to £27.9m in the year ended 30.9.77...

Bonus restored by Friends' Provident

Friends' Provident Life is to restore the terminal bonus rate to the level of 1973...

side the U.K. declined in sterling terms from £4.2m to £3.8m...

Dundee & London sees rise

After lifting available earnings 18 per cent to £393,782 in the October 31, 1977 year...

Improvement on way for Hensher

While current trading conditions are still not buoyant, there are signs of improvement at Hensher (Furniture Trades)...

S. Hoffnung down in first half

WHOLESALE and general merchants S. Hoffnung and Co. reports a pre-tax profit decline from £1,866,000 to £1,563,000...

Cannon St. recovery

AFTER CENTRAL interest and expenses, down from £416,000 to £298,000, Cannon Street Investments reports a turnaround from a £122,000 pre-tax loss to an £85,000 profit for the first half of 1977...

Glenmurray's U.S. plan

AN INCREASED stake in the U.S. is being planned by Glenmurray Investment Trust, partly by direct investment and partly through an additional currency loan of \$400,000...

YORKGREEN

At the AGM of Yorkgreen Investments, shareholders approved all resolutions, including the change of name to Yorkgreen Investments...

Siemssen publishing growth

Cigar importer Siemssen Hunter is making a significant move in his plans to diversify from tobacco products into publishing...

Siemssen publishing growth

Cigar importer Siemssen Hunter is making a significant move in his plans to diversify from tobacco products into publishing...

ST. PIRAN BUYS MORE MONK

St. Piran has now bought its holding in A. Monk up to 19.14 per cent, but does not intend to make a bid for the company...

Economic Diary

TO-DAY - Special meeting of National Union of Teachers, Liberal Party steering committee, opens, London.

BIDS AND DEALS

Harcros agrees H & C offer

An agreed bid was made last night for Harcros Investment Trust by Harrisons and Crosfield, the plantations group which already holds 49.7 per cent of the shares...

ATV/TUSSAUD'S

The activities of Madame Tussaud's are complementary to those of Associated Television Corporation which would be able to use its world-wide experience in the entertainment industry to develop Tussaud's to a greater extent...

Siemssen publishing growth

Cigar importer Siemssen Hunter is making a significant move in his plans to diversify from tobacco products into publishing...

ST. PIRAN BUYS MORE MONK

St. Piran has now bought its holding in A. Monk up to 19.14 per cent, but does not intend to make a bid for the company...

NEWS SUMMARY

Take-over bids and mergers

Table with columns: Company, Value of bid, Price per share, etc. Lists various companies and their financial details.

FINANCIAL TIMES

BRACKEN HOUSE, 10, CANNON STREET, LONDON EC4A 3BY. Telex: Editorial 886241/2, 882667. Telephone: 01-248 8000.

Results due next week

Table listing companies and their expected results for the next week, including dates and financial metrics.

PRELIMINARY RESULTS

Table showing preliminary results for various companies, including profit and dividend information.

INTERIM STATEMENTS

Table showing interim statements for various companies, including half-year and full-year data.

Handwritten signature or mark at the bottom center of the page.

INTERNATIONAL FINANCIAL NEWS

Chrysler to recall some 2 1/2m. cars for checks

BY JOHN WYLES NEW YORK, Dec. 30. THE FALL OF THE DOLLAR against the Deutschmark in the closing months of this year has been immediately and painfully felt by the West German shipping industry...

Syme withdraws bid for Standard

SYDNEY, Dec. 30. MELBOURNE PUBLISHER David Syme and Co. has withdrawn its bid for the suburban newspaper group Standard Newspapers in the face of a higher offer from its rival the Herald and Weekly Times group...

SAVE & PROSPER U.S. GROWTH FUND For those seeking investment opportunities in America.

Following the deterioration in share prices on Wall Street over the past year, opinion is now divided as to whether economic considerations could lead to a further weakening in the market or whether the present level of share prices has created excellent buying opportunities...

Past performance Since the launch in March 1964, the fund's offer price has increased by 92%. This compares with a rise of 18% in the Standard & Poors Composite Index...

About Save & Prosper Save & Prosper is the largest UK unit trust group and also offers a wide range of investment and insurance plans tailored to meet most financial circumstances.

How to invest To make a lump-sum purchase, please complete and return the coupon below together with your cheque. You will be allocated units to the full value of your remittance at the offer price ruling on receipt of your application.

Hapag-Lloyd may cut dividend

ADRIAN DICKS BONN, Dec. 30. THE FALL OF THE DOLLAR against the Deutschmark in the closing months of this year has been immediately and painfully felt by the West German shipping industry...

Magnum battle turns a full circle

WONG SULONG KUALA LUMPUR, Dec. 30. THE POWER STRUGGLE in Magnum Corporation, the Malaysian lottery organisation, has now turned full circle...

RENCH NEWS

Beghin-Say recovery but no dividend

ROBERT MAUTHNER PARIS, Dec. 30. BEGHIN-SAY, France's biggest car company, will not pay any dividends this year, in spite of substantial improvement of its financial situation after a particularly bad year...

Electric and electronics

THE FRENCH electric and electronics industries expect turnover to have been around Frs.75bn. (E8.4bn.) in 1977, against Frs.67bn. in 1976...

Cardboard profits

FRENCH production of cardboard rose by 3 per cent in 1977, to 4.75m. tons—the second consecutive annual increase—but was still below the 1974 level of over 5m. tons...

ARE YOU LOOKING FOR NEW YEAR TIPS?

INVESTORS REVIEW, the City's fortnightly magazine, only tips up as and when it believes the timing is right. For that reason you won't find any "tips for 1978" in this week's issue...

HIS HIGHNESS THE RULER OF AJMAN SHAIKH RASHID BIN HUMAID AL NAIME on behalf of THE EMIRATE OF AJMAN to assist in financing two contracts awarded to F. J. C. Lilley (Marine) Limited

HIS HIGHNESS THE RULER OF UMM-AL-QIWAIN SHAIKH AHMED BIN RASHID AL MOALLA on behalf of THE EMIRATE OF UMM-AL-QIWAIN U.S. \$2,750,000 5-year floating rate loan

OVERSEAS NEWS

French-Algerian bitterness deepens over W. Sahara

BY ERMINE FURNES

ALGIERS, Dec. 30.

France and Algeria to-day continued to accuse the other of manufacturing a hostile press campaign. No official Algerian Government reply has yet been published in French official channels...



RALPH NADER

A year of mixed fortunes

By Nancy Dunne

WASHINGTON, Dec. 30.

IT LOOKED AS IF Ralph Nader's influence would reach new peaks after the Carter Administration took office in January. Mr. Nader had made the extraordinary gesture—himself—of visiting Mr. Carter before his election at his home in Plains and had come away saying that his election would bring a breath of fresh air to Washington.

TURKEY'S VOTE OF CONFIDENCE Demirel coalition could fall

By METIN MUNIR

ANKARA, Dec. 30.

TURKISH Prime Minister Mr. Süleyman Demirel's tripartite right wing coalition is expected to fall to-morrow after a vote of confidence, requested by Mr. Demirel, is taken in the National Assembly.

Turks to take command in Izmir

By GEN. ALEXANDER M. HAIG

Supreme Commander of Nato forces in Europe said on Friday that Turkish four-star generals will take over from Americans now commanding land and air forces from Izmir, Turkey.

Zia to make decision on future of Bhutto

BY SIMON HENDERSON

ISLAMABAD, Dec. 30.

PAKISTAN'S military ruler, General Zia-ul-Haq, is addressing a news conference at Rawalpindi near here on Monday at which he is expected to announce "some important decisions."

Venezuela record oil investment

By Joseph Mann

CARACAS, Dec. 30.

THE PRESIDENT of Venezuela's state oil monopoly—Petroleos de Venezuela—announced yesterday that the company would begin off-shore exploration at three sites next year and that the nationalised industry's capital investments for 1978 would reach \$1.8 billion—the highest figure in the industry's history.

Japan bankruptcies rise

TOKYO, Dec. 30.

A TOTAL OF 18,064 companies, mostly small steel, shipping, shipbuilding and textile firms, went bankrupt last year with debts totalling \$12.1bn, a private credit research agency said on Friday.

Geisel warns Opposition

By David White

RIO DE JANEIRO, Dec. 30.

BRAZIL CAN EXPECT "marked progress" in its political life next year, President Ernesto Geisel said in a nationwide New Year's television broadcast.

This week's SE dealings

Table with columns for Friday, December 30, Wednesday, December 28, Thursday, December 22, and Friday, December 21. Includes values for 4812, 3563, 2489, 2219, 3729, 4186.

The list below records all yesterday's marketings and also the latest marketings during the week of any share not dealt in yesterday. The latter can be distinguished by the date in parentheses.

Main financial table containing various market listings including BRITISH FUNDS (722), PUBLIC BONDS (148), FOREIGN STOCKS (11), CURRENCY BONDS, FOREIGN RAILS (4), BANKS & DISCOUNTS (122), BREWERIES, DISTIS (143), and various company shares like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc.

Thames tidal flood danger still exists GLC says

THE GREATER London Council has warned that the threat of tidal flooding in the East Coast flood plain is still a real danger.

Dr. Gordon Taylor, the GLC's public services and safety committee chairman, said because the sea level is rising, the threat of flooding will continue to grow each year until the GL's flood barrier at Woolwich and down stream backraising are completed.

Scandinavian Airlines to buy two Airbuses

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE EUROPEAN A-300 Airbus has achieved another success, with a decision by Scandinavian Airlines System to buy two of the worth over £45m.

CLUBS

NEW YEAR'S EVE. Jan. 1st. A list of clubs and their addresses for the New Year's Eve celebrations.

RESTAURANTS

NEW YEAR'S EVE. Jan. 1st. A list of restaurants and their addresses for the New Year's Eve celebrations.

FINANCE FOR INDUSTRY TERM DEPOSITS. Deposits of £1,000-£25,000 accepted for fixed terms of 3-10 years. Interest rates and terms listed.

Financial Times Saturday December 31 1977

Table of financial data including company names, stock prices, and market indices. Includes sections for 'A-Z', 'L-M', and 'N-O-P'.

Table of financial data including company names, stock prices, and market indices. Includes sections for 'Q-R-S', 'T-U-V', and 'W-X-Y-Z'.

Table of financial data including company names, stock prices, and market indices. Includes sections for 'A-Z', 'L-M', and 'N-O-P'.

Table of financial data including company names, stock prices, and market indices. Includes sections for 'Q-R-S', 'T-U-V', and 'W-X-Y-Z'.

LOCAL AUTHORITY BOND TABLE

Table showing local authority bond details: Authority, Annual gross interest, Interest payable, Minimum sum, Life of bond.

BUILDING SOCIETY RATES

Table showing building society rates: Society Name, Deposit Rate, Share Accnts., Sub/P. Shares, Term Shares.

FINANCIAL TRUSTS (94)

Table listing financial trusts and their details: Trust Name, Assets, Liabilities, etc.

INSURANCE (122)

Table listing insurance companies and their details: Company Name, Capital, Assets, etc.

EXCHANGES AND BULLION

Table showing exchange rates for various currencies: Currency, Rate, etc.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates: Currency, Term, Rate, etc.

U.K. CONVERTIBLE STOCKS 29/12/77

Table showing U.K. convertible stocks: Stock Name, Size, Current Price, Conversion Date, etc.

MONEY+EXCHANGES Decline in bill rate

Bank of England Minimum Lending Rate 7 per cent. (since November 25, 1977). The Treasury bill rate eased by 0.0025 per cent. to 6.2931 per cent. at yesterday's tender, and Bank of England Minimum Lending Rate was unchanged at 7 per cent.

Table showing money market rates: Bill Rate, Treasury Bill, etc.

FOREIGN EXCHANGES

Table showing foreign exchange rates: Country, Rate, etc.

EXCHANGE CROSS-RATES

Table showing exchange cross-rates: Currency, Rate, etc.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates: Currency, Term, Rate, etc.

U.K. CONVERTIBLE STOCKS 29/12/77

Table showing U.K. convertible stocks: Stock Name, Size, Current Price, Conversion Date, etc.

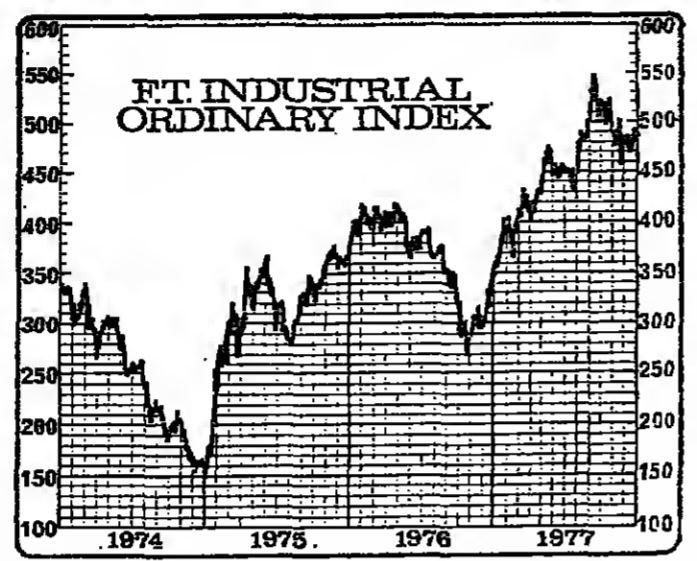
Notes and disclaimers regarding the data provided in the tables.

STOCK EXCHANGE REPORT

Firm Gilts anticipating imminent cut in money rates
Share index down 5.2 at 485.4 for rise on year of 130

Account Dealing Dates
First Declared Last Account
Dealings then Dealings Day
Dec. 12 Dec. 29 Dec. 30 Jan. 11

market helped Military rise 7 to 7 1/2 and Derek Crouch improve 4 to 5 1/2. Vibromat bordered 3 to 3 1/2 by Magnet and Southern...



and Renwick 35p. Foreign issues 3 dealer at 56p. Tobacco were inclined easier.
Plantations recorded small gains. J.R. Cardfield gave up 3 to 165p and Highlands receded 1 1/2 to 61 1/2p.

Properties held up
Properties were hardly affected by the surrounding malaise, sentiment still retaining the predictions of a strong recovery...

Mines lose ground
Mining market ended the year on a flat note with prices of over-registered stocks depressed...

HSR above worst
HSR, a weak market recently on fears of reduced consumer spending and fierce competition in the hi-fi field, reacted to 90p before closing a net 3 1/2 down at 125p.

Misc. leaders dull
The miscellaneous industrial market took the cue from the gloomy ICI statement and steadily drifted lower until encountering a little new-time buying for the Account starting next Tuesday.

Shippings ended easier for choice.
Shippings ended easier for choice. The market was buoyant in the afternoon, but the afternoon was buoyant in the afternoon, but the afternoon was buoyant in the afternoon...

Monthly averages of stock indices
Financial Times
Index 1977 1976 1975 1974
Industrial 485.4 485.4 485.4 485.4

FT-Actuaries Share Indices
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table titled 'FINANCIAL TIMES STOCK INDICES' showing various stock indices and their values for Dec 29, Dec 28, Dec 27, Dec 26, Dec 25, Dec 24, Dec 23, Dec 22, Dec 21, Dec 20, Dec 19, Dec 18, Dec 17, Dec 16, Dec 15, Dec 14, Dec 13, Dec 12, Dec 11, Dec 10, Dec 9, Dec 8, Dec 7, Dec 6, Dec 5, Dec 4, Dec 3, Dec 2, Dec 1, 1977.

Table titled 'HIGHS AND LOWS' showing high and low values for various stock indices and sectors.

Table titled 'RISES AND FALLS' showing the percentage change in various stock indices and sectors.

Table titled 'NEW HIGHS AND LOWS FOR 1977' listing new high and low prices for various stocks.

HK & Shanghai down
In the premium influenced depressed foreign banks and Hong Kong and Shanghai fell 15 to 259p, after 255p. ANZ and National Bank of Australasia shed 9 pence to 253p and 252p respectively.

Gilts end year well
A reactionary tendency in short-dated British Funds attributed to profit-taking after the previous day's rise, but demand was built as demand built up again for the tap Exchequer 3 1/2 per cent. 1981.

Active stocks
The above list of active stocks is based on the number of bargains recorded yesterday in the Official Number 103(1) (a) and reproduced today in Stock Exchange dealings.

Options traded
Burmah Oil, British Land, Cablefoot, Ultramar, British Petroleum, ICI, Barker and Dabson, Britannia Arrow, Royco, East Rand Consolidated, Fodex, Tallex, Woolworth, Westland, Alda International, Wm. Press and Dawnay Day. Puts were arranged in Associated Leisure, Rubber, 101p, S. Simpson, A.V. while double options were transacted in Britannia Arrow, Reed International, Dufay, Staffer, Town and City and Lough, Capital and Counties, British Land.

Recent issues
Equities
Fixed interest stocks
Rights offers

Table titled 'ACTIVE STOCKS' listing various stocks and their prices.

Table titled 'BASE LENDING RATES' listing various banks and their lending rates.

Table titled 'RIGHTS OFFERS' listing various companies and their rights offers.

Table titled 'RECENT ISSUES' listing various companies and their recent issues.

Table titled 'EQUITIES' listing various equities and their prices.

Table titled 'FIXED INTEREST STOCKS' listing various fixed interest stocks and their prices.

Table titled 'BASE LENDING RATES' listing various banks and their lending rates.

Table titled 'RIGHTS OFFERS' listing various companies and their rights offers.

Table titled 'RECENT ISSUES' listing various companies and their recent issues.

Table titled 'EQUITIES' listing various equities and their prices.

Table titled 'FIXED INTEREST STOCKS' listing various fixed interest stocks and their prices.

Table titled 'BASE LENDING RATES' listing various banks and their lending rates.

Table titled 'RIGHTS OFFERS' listing various companies and their rights offers.

Table titled 'RECENT ISSUES' listing various companies and their recent issues.

Table titled 'EQUITIES' listing various equities and their prices.

Table titled 'FIXED INTEREST STOCKS' listing various fixed interest stocks and their prices.

Table titled 'BASE LENDING RATES' listing various banks and their lending rates.

Table titled 'RIGHTS OFFERS' listing various companies and their rights offers.

Table titled 'RECENT ISSUES' listing various companies and their recent issues.

Table titled 'RECENT ISSUES' listing various companies and their recent issues.

Table titled 'EQUITIES' listing various equities and their prices.

Table titled 'FIXED INTEREST STOCKS' listing various fixed interest stocks and their prices.

Table titled 'BASE LENDING RATES' listing various banks and their lending rates.

Table titled 'RIGHTS OFFERS' listing various companies and their rights offers.

Table titled 'RECENT ISSUES' listing various companies and their recent issues.

Table titled 'EQUITIES' listing various equities and their prices.

Table titled 'FIXED INTEREST STOCKS' listing various fixed interest stocks and their prices.

Table titled 'BASE LENDING RATES' listing various banks and their lending rates.

Table titled 'RIGHTS OFFERS' listing various companies and their rights offers.

Table titled 'RECENT ISSUES' listing various companies and their recent issues.

Table titled 'EQUITIES' listing various equities and their prices.

Table titled 'FIXED INTEREST STOCKS' listing various fixed interest stocks and their prices.

Table titled 'BASE LENDING RATES' listing various banks and their lending rates.

Table titled 'RIGHTS OFFERS' listing various companies and their rights offers.

Table titled 'RECENT ISSUES' listing various companies and their recent issues.

Table titled 'EQUITIES' listing various equities and their prices.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table titled 'EQUITY GROUPS' showing various equity groups and their values.

Table titled 'SUB-SECTIONS' showing various sub-sections and their values.

Table titled 'CONSUMER GOODS' showing various consumer goods and their values.

Table titled 'NON-DURABLES' showing various non-durable goods and their values.

Table titled 'DURABLES' showing various durable goods and their values.

Table titled 'FINANCIAL GROUP' showing various financial groups and their values.

Table titled 'DISCOUNT HOUSES' showing various discount houses and their values.

Table titled 'INSURANCE' showing various insurance companies and their values.

Table titled 'MERCHANT BANKS' showing various merchant banks and their values.

Table titled 'MISCELLANEOUS' showing various miscellaneous stocks and their values.

Table titled 'FIXED INTEREST YIELDS' showing various fixed interest yields and their values.

Table titled 'BRITISH GOVERNMENT' showing various British government bonds and their values.

Table titled 'FIXED INTEREST PRICE INDICES' showing various fixed interest price indices and their values.

Table titled '1970-76. Deb. Deb. & Loans (15)' showing various debt and loan indices and their values.

Table titled 'Industrial Group' showing various industrial groups and their values.



AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table listing various unit trusts and their performance metrics, including Abbey Unit Tr. Mgr. Ltd., Allied Home Group, and British Life Office Ltd.

Table listing various unit trusts and their performance metrics, including Guinness Fund Managers, Perpetual Unit Trust Mgrs., and Prudential Unit Tr. Mgrs.

Table listing various offshore and overseas funds and their performance metrics, including Arbutnot Securities (C.I.) Limited, Australian Selection Fund, and Barings Overseas Int. (Ch. In.) Ltd.

Table listing various offshore and overseas funds and their performance metrics, including Keynote Management Jersey Ltd., Keynote Management Jersey Ltd., and Keynote Management Jersey Ltd.

Table listing various unit trusts and their performance metrics, including British Life Office Ltd., Brown Shipley & Co. Ltd., and Capel (James) Mgmt. Ltd.

Table listing various unit trusts and their performance metrics, including Chartered Bank, Cheltenham Trust Managers Ltd., and Cheltenham Trust Managers Ltd.

Table listing various unit trusts and their performance metrics, including City of Westminster Assur. Soc. Ltd., City of Westminster Assur. Soc. Ltd., and City of Westminster Assur. Soc. Ltd.

Table listing various unit trusts and their performance metrics, including City of Westminster Assur. Soc. Ltd., City of Westminster Assur. Soc. Ltd., and City of Westminster Assur. Soc. Ltd.

Table listing various unit trusts and their performance metrics, including City of Westminster Assur. Soc. Ltd., City of Westminster Assur. Soc. Ltd., and City of Westminster Assur. Soc. Ltd.

Table listing various unit trusts and their performance metrics, including City of Westminster Assur. Soc. Ltd., City of Westminster Assur. Soc. Ltd., and City of Westminster Assur. Soc. Ltd.

Table listing various unit trusts and their performance metrics, including City of Westminster Assur. Soc. Ltd., City of Westminster Assur. Soc. Ltd., and City of Westminster Assur. Soc. Ltd.

Table listing various unit trusts and their performance metrics, including City of Westminster Assur. Soc. Ltd., City of Westminster Assur. Soc. Ltd., and City of Westminster Assur. Soc. Ltd.

Advertisement for 'your Stock Exchange investment?' featuring a phone number 01-246 8026 and a logo.

Table listing various unit trusts and their performance metrics, including City of Westminster Assur. Soc. Ltd., City of Westminster Assur. Soc. Ltd., and City of Westminster Assur. Soc. Ltd.

Table listing various unit trusts and their performance metrics, including City of Westminster Assur. Soc. Ltd., City of Westminster Assur. Soc. Ltd., and City of Westminster Assur. Soc. Ltd.

Table listing various unit trusts and their performance metrics, including City of Westminster Assur. Soc. Ltd., City of Westminster Assur. Soc. Ltd., and City of Westminster Assur. Soc. Ltd.

INSURANCE, PROPERTY, BONDS

Table listing insurance base rates for Property Growth, Cannon Assurance, and Coral Index.

Table listing insurance base rates for Property Growth, Cannon Assurance, and Coral Index.

Table listing insurance base rates for Property Growth, Cannon Assurance, and Coral Index.

Table listing insurance base rates for Property Growth, Cannon Assurance, and Coral Index.

Table listing insurance base rates for Property Growth, Cannon Assurance, and Coral Index.

Table listing insurance base rates for Property Growth, Cannon Assurance, and Coral Index.

Table listing insurance base rates for Property Growth, Cannon Assurance, and Coral Index.

Table listing insurance base rates for Property Growth, Cannon Assurance, and Coral Index.

Table listing insurance base rates for Property Growth, Cannon Assurance, and Coral Index.

Table listing insurance base rates for Property Growth, Cannon Assurance, and Coral Index.

Table listing insurance base rates for Property Growth, Cannon Assurance, and Coral Index.

Table listing insurance base rates for Property Growth, Cannon Assurance, and Coral Index.

NOTES

Notes section containing various financial notices and updates.

FT SHARE INFORMATION SERVICE

AMERICANS—Continued

BUILDING INDUSTRY—Cont.

DRAPERY AND STORES—Cont.

ENGINEERING—Continued

Table of American stocks including companies like Ford, General Motors, and IBM.

Table of Building Industry stocks including companies like American Cyanamid and Eastman Kodak.

Table of Drapery and Stores stocks including companies like J.C. Penney and Sears.

Table of Engineering stocks including companies like General Electric and Westinghouse.

CANADIANS

Table of Canadian stocks including companies like Canadian National and Royal Bank.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase stocks including companies like Bank of Montreal and Finance Trust.

ELECTRICAL AND RADIO

Table of Electrical and Radio stocks including companies like Radio Shack and Zenith.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics stocks including companies like DuPont and Eastman.

INTERNATIONAL BANK

Table of International Bank stocks including companies like Citicorp and Chase.

CORPORATION LOANS

Table of Corporation Loans including various financial institutions.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools stocks including companies like Deere and Caterpillar.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, Etc. stocks including companies like General Mills and Borden.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans including various international banks.

CINEMAS, THEATRES AND TV

Table of Cinemas, Theatres and TV stocks including companies like Paramount and MGM.

DRAPERY AND STORES

Table of Drapery and Stores stocks including companies like J.C. Penney and Sears.

HOTELS AND CATERERS

Table of Hotels and Caterers stocks including companies like Hilton and Holiday Inn.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits stocks including companies like Anheuser-Busch and Heineken.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails including various international securities.

AMERICANS

Table of American stocks including companies like Ford, General Motors, and IBM.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads stocks including companies like American Cyanamid and Eastman.

LOANS

Table of Loans including various financial institutions.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits stocks including companies like Anheuser-Busch and Heineken.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails including various international securities.

AMERICANS

Table of American stocks including companies like Ford, General Motors, and IBM.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads stocks including companies like American Cyanamid and Eastman.

DRAPERY AND STORES

Table of Drapery and Stores stocks including companies like J.C. Penney and Sears.

ENGINEERING

Table of Engineering stocks including companies like General Electric and Westinghouse.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, Etc. stocks including companies like General Mills and Borden.

LOANS

Table of Loans including various financial institutions.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits stocks including companies like Anheuser-Busch and Heineken.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails including various international securities.

AMERICANS

Table of American stocks including companies like Ford, General Motors, and IBM.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads stocks including companies like American Cyanamid and Eastman.

DRAPERY AND STORES

Table of Drapery and Stores stocks including companies like J.C. Penney and Sears.

ENGINEERING

Table of Engineering stocks including companies like General Electric and Westinghouse.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, Etc. stocks including companies like General Mills and Borden.

Large vertical table on the right side of the page, likely containing hotel and catering information as indicated by the header 'HOTELS—Continued'.

Advertisement for Oldham for industrial development, featuring a logo and text about industrial growth and investment.

Cruising means

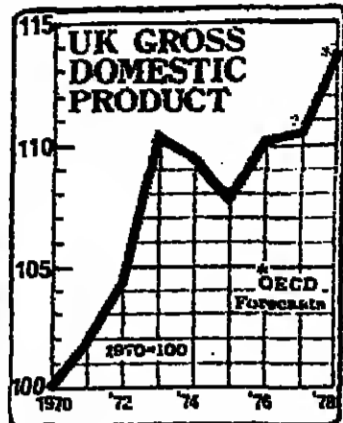


HOPEPE The Spanish name for SHERRY

THE LEX COLUMN

1978: riding the North Sea tide

Index fell 5.2 to 485.4



will be sustained, Britain's... will depend partly on... At present, a... acceleration of inflation...

Election Budget

Further ahead, however... outlook is clouded by... the possibility of a rising trend...

authorities will not wish to... sterling in a way which will... bring back the problem of the...

internationally, the prospects... world trade are poor. Its... growth has already tailed off...

In the securities markets 1977... is ending on a note of uncer-... tainty, at least for equities...

The U.K.'s economic prospects... for 1978 are more attractive... than for some years in the past...

Forecasters are commonly... predicting growth of the order... of 2 per cent in gross domestic...

product, against something very... little better than stagnation in... 1977. In the coming months...

Credit demand

But against this generally... favourable economic back-... ground there are two potential...

sources of danger for the finan-... cial markets. Internally, the... normal economic activity could...

is to some extent insulated from... the worst effects by the North... Sea oil bonus, the London mar-

Interest rates

But in the early months, at... least, equities are likely to be... helped by a continuing firm...

Healey offers big tax cuts

By Peter Riddell, Economics Correspondent

MR. DENIS HEALEY, the... Chancellor, last night went... further than before in offering...

Interviewed on ITN's News... at Ten programme, Mr. Healey... said: "If the pay policy con-

tinues to hold as well as it... has so far, if indeed we can... improve a little, then there...

There was "a very strong... case for cutting income tax... rather than indirect tax since...

Scope

"I particularly want to help... people at the bottom end of... the scale, either by a reduced...

Mr. Healey did not specify... what he meant by "quite a... substantial amount of money...

Some economists believe the... official projection is too high... so there could be scope for...

Mr. Healey claimed that pay... policy was "holding very well... on the whole. We have had...

Carter may pay visit to Sadat in Cairo

BY CHRISTOPHER BOBINSKI IN WARSAW AND DAVID BELL IN WASHINGTON

PRESIDENT CARTER may inter-... rupt his six-nation tour to fly to... Cairo for talks with President...

Mr. Carter spoke shortly after... Mr. Jody Powell, White House... Press Secretary, told reporters...

Mr. Carter was emphatic that... the U.S. had not changed its... policy towards the Middle East...

Mr. Carter said that he was... keeping his schedule flexible on... Wednesday and he had a stand-

ing invitation from Mr. Sadat to... visit Cairo.

But there had not been specific... discussion on a visit on Wednes-... day which would enable him to...

The State Department has... been taken back by the Egypt-... ian leader's fierce reaction to...

Efforts to arrange a meeting... are believed to be continuing in... messages from the Presidential...

Mr. Sadat is in Luxor, Upper... Egypt, accompanied by Mr. Hel-... mut Schmidt, the West German...

the formation of "a fairly go-... to Tehran to meet Mr. Carter... and King Hussein. The Prime...

In an interview given to U.S... television correspondents, Mr... Sadat said that President...

L. Daniel reports from Jeru-... salem: Speculation was rife here... about whether Mr. Begin might...

SALT target date

BY OUR FOREIGN STAFF

PRESIDENT CARTER said yes-... terday he hoped to conclude a... new strategic arms limitation...

Mr. Gierak, however, in an... interview with U.S. journalists... denied there was any such...

President Carter said that... Warsaw, Poland, had agreed to... purchase, in addition to the...

East European countries to start... talks on voluntary agreements...

Bilateral deals expected on EEC steel imports

BY GUY DE JONQUIERES

BRUSSELS, Dec. 30.

THE EUROPEAN Commission... expects to have concluded by the... end of next month bilateral...

This forecast was made to-day... by a senior official of the Com-... mission's industry directorate...

The base price, calculated... according to production cost... data provided by the most...

cent lower overall than the... EEC's internal guidance prices...

The Commission has indicated... that it will offer suppliers who... agree to negotiate a slightly...

The Commission to-day invited... the EEC's main supplier coun-... tries, including Brazil, South...

ICI gives warning on results

BY RAY DAFER

IMPERIAL Chemical Industries... has given a warning that its... fourth-quarter results will be...

The group reports in a prelimi-... nary registration statement... filed with the U.S. Securities and...

ICI is Britain's second largest... exporter. Total pre-tax profit for 1977... was a whole some 20 per cent...

Its filing relates to a proposed... public offering in the U.S. of... \$150m. of guaranteed sinking...

The statement said that some... improvement in economic condi-... tions was expected next year...

ICl's share price fell 9p to 382p... at the close. The group reports in a...

Rees will see firemen for talks on Tuesday

BY ALAN PIKE, LABOUR CORRESPONDENT

THE Home Secretary responded... yesterday to the call from fire-... men's leaders for new talks on...

However, Mr. Rees and local... authority representatives will... reiterate to the union's...

Rees will see firemen for... talks on Tuesday. The Govern-... ment's reason for taking this...

arrangements for the meeting... were made yesterday after talks... between Mr. Terry Parry, general...

With the strike approaching... its eighth week, all sides welcome... any move which might produce...

Uncertain \$ slips as £ improves

BY MICHAEL BLANDEN

THE DOLLAR ended the year... on a weak note yesterday, slip-... ping against most leading cur-

The pound, which has been... particularly strong in the post-... Christmas period, ended with a...

The dollar's weakness again... reflected uncertainty in the mar-... kets after the news on Wednes-

in a New York newspaper... interview, Mr. Miller said he... was a "strong advocate" of the...

At the same time a leanline... New York banker, Mr. Alfred... Britain III, chairman of Bankers...

However, he said that the West... German package of measures... earlier this month aimed at stem-

Central bank interventions... could not themselves remove the... underlying reasons for the weak-

over-valuation" of the D-Mark.

Hoffnung INTERIM RESULTS

Unaudited results of S. Hoffnung & Co. Limited for the half ended 30th September, 1977.

Table with 4 columns: Item, Half-year to 30.9.77, Half-year to 30.9.76, and % change. Rows include Turnover, Group profit before tax, Tax, Profit attributable to minority interests, Half-year preference dividend, Profit attributable to ordinary shareholders, Earnings per ordinary share, Fully diluted earnings per ordinary share, Interim dividend of 1.485p per share.

Notes: (1) No account has been taken of the possibility of Australian tax becoming payable on the profits of branches as no details have been announced by the Australian Government...

The Chairman's statement of 12th September, 1977, that the profits for the first half of 1977/78 would be appointing. He pointed out, however, that the first half of 1977 was normally less important than the second and that what was needed was an improvement in confidence and in retail spending for the Christmas trade...

Having regard to all the circumstances now ruling in Australia and notwithstanding significantly higher profits being achieved by G&M Power Plant, the Board is pleased to announce that pre-tax profits for the year ending 31st March, 1978, will be below the record profits of last year.

Registered at the Post Office. Printed by St. Clement's Press Ltd. at the Financial Times Ltd., Brackley House, Cannon Street, London E.C.4.

Vertical text on the far left edge of the page, including 'S', 'SI', and various small text fragments.

MAN OF THE YEAR A sacred mission for peace BY ROGER MATTHEWS MRS. GOLDA MEIR, her waspish... The Home Secretary responded...

Main body of text for the Carter and SALT articles, including sub-headers and detailed reporting.

Main body of text for the Healey article, detailing his tax proposals and economic outlook.

Main body of text for the Hoffnung article, including the interim results table and related commentary.

Main body of text for the Bilateral deals article, discussing EEC steel import regulations and ICI's financial warning.

Vertical text on the far right edge of the page, including 'S', 'SI', and various small text fragments.